

PUBLIC VERSION

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

AT&T Services, Inc. and AT&T Corp.

Complainants,

v.

Proceeding No. 19-222
File No. EB-19-MD-007

123.Net (d/b/a Local Exchange Carriers of
Michigan, Inc. and/or Prime Circuits)

Defendant.

**123.NET'S (d/b/a LEC-MI) EXHIBITS
TO ITS AMENDED ANSWER TO THE FORMAL COMPLAINT**

Exhibit	Description	Bates Range
1	United States Bankruptcy Court Order Approving Terms of Compromise Among Debtors, Everstream GLC Holding Company, LLC and AT&T Corp. (In re. Great Lakes Comnet, Inc.)	LEC-MI_00001 to LEC-MI_00004
2	United States Bankruptcy Court Order Confirming Chapter 11 Plan (In re. Great Lakes Comnet, Inc.)	LEC-MI_00005 to LEC-MI_00032
3	Tabulation of Votes on the Joint Chapter 11 Plan (In re. Great Lakes Comnet, Inc.)	LEC-MI_00033 to LEC-MI_00090
4	Declaration of Michael Starkey	LEC-MI_00091 to LEC-MI_00292

Legal Analysis Exhibit

LEC-MI Ex. 1

PUBLIC VERSION**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN****In re:****CHAPTER 11****GREAT LAKES COMNET, INC. *et al.*****CASE NO. 16-00290
(Jointly Administered)****Debtors.****Hon. John. T. Gregg****ORDER APPROVING TERMS OF COMPROMISE
AMONG DEBTORS, EVERSTREAM GLC HOLDING
COMPANY, LLC, AND AT&T CORP.**

The Court has considered the Joint Motion (the “Joint Compromise Motion”)¹ of debtors, Great Lakes Comnet, Inc. and Comlink L.L.C. (collectively, the “Debtors”) and Everstream GLC Holding Company, LLC (“Everstream” and together with the Debtors, the “Movants”) seeking approval of a settlement reached among Movants and AT&T Corp. and its subsidiaries and affiliates. (“AT&T,” and together with the Debtors and Everstream, the “Parties”) pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rule 9019. With this Court’s finding that (i) good and sufficient notice has been given under the circumstances; (ii) good cause exists to grant the relief sought in the Motion; (iii) the Court has appropriate subject matter jurisdiction and constitutional authority to enter a final order in this core proceeding; (iv) venue is proper; (v) it is in the best interest of the Parties and the Debtors’ creditors that the Motion be approved; and (vi) Movants have met their burden under the applicable standards for Bankruptcy Rule 9019 as articulated in *Protective Comm. v. Anderson (In re TMT Trailer)*, 390 U.S. 414 (1968) and *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599 (5th Cir. 1980), it is hereby ORDERED that:

¹ Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Motion.

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1. Pursuant to 11 U.S.C. § 105 and Bankruptcy Rule 9019, the terms of the Compromise set forth in the Motion are hereby approved in all respects as a fair and reasonable resolution of the disputes and issues among the Parties.

2. (i) The Objection is resolved as set forth in subparagraphs (ii) – (vi) of this paragraph; (ii) the Debtors will assume and assign to Everstream all executory contracts and unexpired leases to which the Debtors and AT&T are party, except for any agreement, contract, claim (as defined in Bankruptcy Code § 101(5)), account payable or account receivable that arise out of or are related to (x) any of the following proceedings or the conduct described therein: (a) In the Matter of AT&T Services Inc. and AT&T Corp. v. Great Lakes Comnet, Inc. and Westphalia Telephone Company, in the Federal Communications Commission (“FCC”), EB Docket No. 14-222, File No. EB-14-MD-013, (b) In the matter of the application and complaint of Westphalia Telephone Company and Great Lakes Comnet, Inc. against AT&T Corp. before the Michigan Public Service Commission, Case No. U-17619, now on appeal in the Michigan Court of Appeals (Case No. 326100), and (c) Great Lakes Comnet, Inc. and Westphalia Telephone Company, v. AT&T Corp. in the United States District Court for the Western District of Michigan (Case No. 1:15-CV-216), and the appeal in the United States Court of Appeals for the Sixth Circuit (Case No. 16-1256); and (y) the AT&T Receivable or charges and amounts invoiced or billed by the Debtors or their affiliates to AT&T under tariffs (collectively, the “Assumed and Assigned Agreements”); (iii) Debtors will utilize a portion of the sale proceeds received from Everstream as part of the sale transaction for the purposes of making payment to AT&T in the amount of \$740,000 within ten (10) days of the entry of this Order in full and final satisfaction of the alleged AT&T Cure Amount; (iv) Everstream waives and releases its interests, if any, in the alleged AT&T Receivable and will take no action to seek to collect the alleged

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AT&T Receivable; (v) Everstream and AT&T will both agree to operate in good faith for the purposes of negotiating reasonable dedicated entrance facility charges, which will allow AT&T to gain access to certain network traffic, and the language set forth in the Joint Compromise Motion shall not affect Everstream's rights in any manner whatsoever to negotiate and subsequently collect dedicated entrance facility charges from AT&T on a going forward basis; and (vi) except for any claims (as such term is defined in Bankruptcy Code § 101(5)) arising from or related to the Assumed and Assigned Agreements, AT&T shall be entitled to assert any pre-petition or administrative claims in the Debtors' bankruptcy, without prejudice to the right of the Debtors to object to such claims. For the avoidance of doubt, nothing described in this paragraph 2 shall affect, in any manner whatsoever, any right Everstream may have to recover the requested relief set forth in the adversary action that Everstream initiated against Debtors and is currently pending in this Court (*Everstream GLC Holding Co., LLC v. Great Lakes Comnet, Inc. and Comlink L.L.C.*, Adv. Pro. No. 16-80246) or any claims or defenses the Debtors may have in that action.

3. This Order shall be effective immediately upon entry.

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4. The Debtors are authorized to take all necessary actions to effectuate the Compromise.

END OF ORDER

Order prepared and submitted by:

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Signed: February 3, 2017



LEC-MI_00004


John T. Gregg
United States Bankruptcy Judge

Legal Analysis Exhibit

LEC-MI Ex. 2

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**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re:	:	Chapter 11
	:	
GREAT LAKES COMNET, INC., <i>et al.</i> ,	:	Case No. 16-00290 (JTG)
	:	Jointly Administered
	:	
Debtors. ¹	:	Honorable John T. Gregg

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
(I) FINALLY APPROVING DISCLOSURE STATEMENT, AND (II) CONFIRMING
JOINT CHAPTER 11 PLAN OF LIQUIDATION OF THE DEBTORS AND OFFICIAL
COMMITTEE OF UNSECURED CREDITORS**

Before the Court is the *Joint Chapter 11 Plan of Liquidation of the Debtors and Official Committee of Unsecured Creditors*, dated January 13, 2017, a copy of which is attached hereto as **Exhibit A** [Dkt. No. 671] (the “Plan”),² as the Plan may be modified or amended by this Order, and the *Disclosure Statement with Respect to the Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of the Debtors* [Dkt. No. 670] (the “Disclosure Statement”) filed by the above-captioned debtors (the “Debtors”) and the Official Committee of Unsecured Creditors (the “Committee” and, together with the Debtors, the “Plan Proponents”). On February 8, 2017, the Court entered an *Order (I) Conditionally Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Scheduling Disclosure Statement and Plan Confirmation Hearing and Approving Form and Manner of Related Notice and Objection Procedures, (IV) Approving Solicitation Packages and Procedures and Deadlines for Soliciting, Receiving and Tabulating Votes on the Plan, (V) Approving the Form of Ballot, and (VI) Granting Related Relief* [Dkt. No.

¹ The Debtors are Great Lakes Comnet, Inc. (Case No. 16-00290) and Comlink, L.L.C. (Case No. 16-00292).

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan. Any term used in the Plan or this Confirmation Order that is not defined in the Plan or this Confirmation Order, but that is used in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) shall have the meaning ascribed to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

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694] (the “Plan Procedures Order”). Pursuant to the Plan Procedures Order, a hearing to consider final approval of the Disclosure Statement and confirmation of the Plan was scheduled and conducted by the Court on March 28, 2017 (the “Confirmation Hearing”).

On March 23, 2017, CoBank, ACB (“CoBank”), the Debtors’ DIP lender, filed the *Limited Objection and Reservation of Rights of CoBank, ACB to the Joint Chapter 11 Plan of Liquidation of the Debtors and Official Committee of Unsecured Creditors* [Dkt. No. 724] (the “CoBank Objection”). Pursuant to the CoBank Objection, CoBank asserts that it has a secured claim against the Debtors’ estates in the amount of \$1,976,835.84. The Debtors dispute the amount of any such claim held by CoBank, and further dispute that such claim is secured or otherwise entitled to administrative priority. The CoBank Objection requests that the amount of CoBank’s alleged claim be placed in escrow pending a determination regarding the status of the claim. Further, CoBank asserts that (i) any remaining proceeds from the asset sale to Everstream GLC Holding Company LLC (“Everstream”) should be paid immediately to CoBank, (ii) any distribution of the Debtors’ assets should commence only after CoBank’s alleged claim(s) are resolved, and (iii) CoBank should not be prohibited from recovering post-petition interest and legal fees.

On March 10, 2017, the Debtors filed amended Exhibits A and B to the Plan Supplement [Dkt. No. 711].

On March 21, 2017, Kurtzman Carson Consultants LLC (the “Solicitation Agent”) filed the *Certification of Andres A. Estrada with respect to the Tabulation of Votes on the Joint Chapter 11 Plan of Liquidation of the Debtor and Official Committee of Unsecured Creditors* [Dkt. No. 719] (the “Voting Declaration”).

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On March 24, 2017, the following pleadings were filed in connection with the Plan and/or in support of the Plan: (i) *Brief In Support of Confirmation of Joint Plan of Liquidation* [Dkt. No. 726 (the “Confirmation Brief”)] and (ii) the *Declaration of Gordon Schreur in Support of Confirmation of Joint Plan of Liquidation* [Dkt. No. 727 (the “Schreur Declaration”)].

Having considered the record before the Court, including, but not limited to, the docket in these chapter 11 cases and any related adversary proceeding(s), and the presentations of parties present at the Confirmation Hearing, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

Finding and Conclusions / Judicial Notice

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. The Court takes judicial notice of the docket in these chapter 11 cases and any related adversary proceedings or claims register(s) maintained by the Clerk of the Bankruptcy Court and/or by Kurtzman Carson Consultants LLC, the duly-appointed claims and noticing agent, including, without limitation, all pleadings, papers and other documents filed, all orders entered, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during the pendency of these chapter 11 cases.

Jurisdiction and Venue

C. On January 25, 2016 (the “Petition Date”), the Debtors commenced their cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are continuing in possession of their property and operating

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and managing their business, as debtors-in-possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

D. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (L) and (O), and the Court can exercise its subject matter jurisdiction pursuant to 28 U.S.C. § 157(b)(1). Venue in this District is proper under 28 U.S.C. §§ 1408 and 1409. The Debtors and the Committee have consented to the entry of this Order as a final order of this Court.

E. On February 23, 2015, the United States Trustee appointed the Committee [Dkt. No. 68].

Disclosure Statement / Notice

F. The Disclosure Statement contains adequate information as required under Section 1125 of the Bankruptcy Code.

G. On February 28, 2017, Kurtzman Carson Consultants LLC (the “Solicitation Agent”) filed an Affidavit of Service with respect to the Solicitation Materials and Non-Voting Package [Dkt. No. 704].³

H. On March 14, 2017, the Solicitation Agent filed an Affidavit of Service with respect to the amended Plan Supplement [Dkt. No. 712].

I. The Disclosure Statement, the Plan, the ballots, the Plan Procedures Order, notice regarding the Confirmation Hearing and related deadlines for objecting to the Plan (the “Plan Procedures Notice”), and related materials were transmitted and served as required by the Plan Procedures Order and in compliance with the Bankruptcy Code, the Bankruptcy Rules, and any applicable local bankruptcy rules, and such transmittal and service constitute proper and sufficient notice reasonably calculated, under the circumstances, to apprise creditors and

³ A supplemental Affidavit of Service was filed on March 3, 2016 [Dkt. 706].

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interested parties of the pendency of the Plan and the Confirmation Hearing and afford them an opportunity to present their objections and no other or further notice is or shall be required.

Voting.

J. Votes to accept and reject the Plan have been solicited and procured in good faith, with proper and sufficient notice, and tabulated fairly, all in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, and industry practice.

Burden of Proof.

K. The Plan Proponents have the burden of proving the elements of section 1129(a) (and if applicable, section 1129(b)) of the Bankruptcy Code by a preponderance of the evidence and they have met that burden as further found and determined herein.

Compliance With Sections 1123 and 1129 of the Bankruptcy Code.

L. Section 1129(a)(1) - Plan's Compliance with Bankruptcy Code. The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code.

M. Sections 1122(a) and 1123(a)(1)-(4). The Plan satisfies sections 1122(a) and 1123(a)(1) of the Bankruptcy Code and designates separate Classes of Claims, other than Administrative Expense Claims, Priority Tax Claims and Professional Fee Claims, and each Class contains Claims that are substantially similar to the other Claims within that Class. The Plan satisfies sections 1123(a)(2) through (4) of the Bankruptcy Code by identifying each Class that is not impaired, by specifying the treatment of each Class that is impaired, and by providing the same treatment for each Claim within a particular Class.

N. Section 1123(a)(5). The Plan and the various documents set forth therein or incorporated by reference provide adequate means for the Plan's implementation, including,

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inter alia: (i) the deemed consolidation of the Debtors; (ii) the approval of the AT&T Settlement Agreement; (iii) the vesting of the Assets in the Liquidation Trust; and (iv) the appointment of the Liquidation Trustee to administer the Liquidation Trust. Accordingly, the Plan satisfies section 1123(a)(5) of the Bankruptcy Code.

O. Sections 1123(a)(6) and (7). Sections 1123(a)(6) and (a)(7) of the Bankruptcy Code are not applicable to the Plan since it provides for the liquidation and ultimate dissolution of the Debtors and does not provide for the issuance of any interests in any Debtors or the selection of officers and directors of the Debtors.

P. Section 1123(b). The provisions of the Plan comply with, and are not inconsistent with, the applicable provisions of the Bankruptcy Code, including section 1123(b). Among other items, the Plan identifies and impairs or, as applicable, leaves unimpaired, each Class of Claims pursuant to section 1123(b)(1); it provides pursuant to section 1123(b)(2) for the assumption and assignment, or rejection, of the Debtors previously unrejected executory contracts and unexpired leases; it provides pursuant to section 1123(b)(3) for certain settlements set forth in the Plan and for the Liquidation Trustee to retain, enforce or settle any claim or interest that belongs to the Debtors and becomes vested in the Liquidation Trust as an Asset. Pursuant to section 1123(b)(6) of the Bankruptcy Code, the Plan contains other customary provisions that are consistent with the Bankruptcy Code, including: (i) provisions governing Distributions on account of Allowed Claims, including the timing, delivery and calculation of amounts to be distributed; (ii) procedures for resolving Disputed Claims; (iii) provisions regarding the modification of the Plan; (iv) provisions for an injunction against certain Persons from engaging in certain actions regarding Claims or Causes of Action that are satisfied or discharged under the Plan; and (v) provisions for the retention of jurisdiction by this Court with respect to certain matters listed in

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Article XIII of the Plan. The failure specifically to address a provision of the Bankruptcy Code in this Confirmation Order shall not diminish or impair the effectiveness of this Confirmation Order.

Q. Bankruptcy Rule 3016(a). The Plan is dated and identifies the entities submitting the Plan as proponents, thereby satisfying Bankruptcy Rule 3016(a).

R. Section 1129(a)(2) - Plan Proponents' Compliance with Bankruptcy Code. The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code. The Debtors, together with the Committee, are proper proponents of the Plan and have solicited acceptances of the Plan in accordance with the requirements of section 1125 of the Bankruptcy Code, the Bankruptcy Rules, and the Plan Procedures Order. The Plan Proponents and their respective agents and professionals have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code. Pursuant to the Plan Procedures Order, on or about February 14, the Debtors, through the Solicitation Agent, mailed, by first class mail, postage prepaid, to each creditor specified in the Plan Procedures Order a solicitation package containing copies of, among other things: (i) solicitation letters from the Debtors and the Committee; (ii) the Plan; (iii) the Disclosure Statement; (iv) a ballot and instructions for completing the ballot; (v) the Plan Procedures Order, and (vi) the Plan Procedures Notice. On or about February 27, 2017, Creditors not entitled to vote on the Plan were mailed copies of the Plan Procedures Notice and a notice of non-voting status. The Disclosure Statement and the procedures by which the ballots for acceptance or rejection of the Plan were solicited, procured and tabulated were adequate, fair, properly conducted and in accordance with Bankruptcy Rules 3017 and 3018 and section 1126(b) of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(2) of the Bankruptcy Code.

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S. Section 1129(a)(3) - Plan Proposed in Good Faith. The Plan Proponents have proposed the Plan in good faith and not by any means forbidden by law. Therefore, the Plan complies with section 1129(a)(3) of the Bankruptcy Code.

T. Section 1129(a)(4) - Payment for Services. Any payment made or to be made by any of the Debtors for services or for costs and expenses in or in connection with these chapter 11 cases, or in connection with the Plan and incident to these chapter 11 cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

U. Section 1129(a)(5) - Identity of Management. Section 4.5 of the Plan provides for the vesting of all Assets in the Liquidation Trust. Further, the Liquidation Trust Agreement, attached as **Exhibit A** to the Plan Supplement, identifies the person appointed as the Liquidation Trustee and serving in that capacity as the appointed representative of the Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, and such appointment is consistent with the interests of creditors and public policy and is approved.⁴ Therefore, the Plan complies with section 1129(a)(5) of the Bankruptcy Code.

V. Section 1129(a)(6) - No Rate Changes. The Plan does not involve the establishment of rates over which any regulatory commission has or will have jurisdiction after confirmation. Therefore, section 1129(a)(6) of the Bankruptcy Code does not apply to the Plan.

W. Section 1129(a)(7) - Best Interests of Creditors. With respect to each impaired Class of Claims or Interests, each Holder in such Class has either accepted the Plan or will receive or retain under the Plan on account of such Claim or Interests property of a value, as of

⁴ On March 10, 2017, the Debtors filed an amended **Exhibit A** to the Plan Supplement (the "Liquidation Trust Agreement") [Dkt. 711] identifying Peter Kravitz as the initial Liquidation Trustee.

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the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. Therefore, the Plan complies with section 1129(a)(7) of the Bankruptcy Code.

X. Section 1129(a)(8) - Acceptance by Certain Classes. The following Classes are unimpaired and deemed to accept the Plan: Class 1 (Other Priority Claims) and Class 2 (Secured Claims).

Class 3 (General Unsecured Claims) is impaired and, as indicated in the Voting Declaration, such Class has accepted the Plan because pursuant to section 1126(c) of the Bankruptcy Code more than one-half (1/2) of the number and at least two-thirds (2/3) of the dollar amount of Holders of Claims in Class 3 have voted to accept the Plan.

Class 4 (Intercompany Unsecured Claims) and Class 5 (Equity Interests) are impaired and do not receive or retain any property under the Plan on account of such Claims and Interests. Accordingly, Class 4 and Class 5 are deemed to reject the Plan pursuant section 1126(g) of the Bankruptcy Code, and, therefore, each impaired Class has not accepted the Plan as required by section 1129(a)(8) of the Bankruptcy Code, and the Court shall consider confirmation of the Plan under the cramdown standards of 11 U.S.C. § 1129(b).

Y. Section 1129(a)(9) - Treatment of Administrative Expense Claims, Priority Tax Claims, and Other Priority Claims. The treatment of Administrative Expense Claims and Other Priority Claims pursuant to Sections 2.2 and 3.2 of the Plan, respectively, satisfies the requirements of sections 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Priority Tax Claims pursuant to Section 2.4 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

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Z. Section 1129(a)(10) - Acceptance By One Impaired Class. The Plan has been accepted by Class 3 (General Unsecured Claims), the only voting, impaired Class. Because at least one impaired Class of Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider, the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

AA. Section 1129(a)(11) - Feasibility. The Plan calls for the liquidation of the Debtors' estates. As a result, except for the liquidation contemplated by the Plan and the Liquidation Trust Agreement, confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors. Therefore, the Plan complies with section 1129(a)(11) of the Bankruptcy Code.

BB. Section 1129(a)(12) - Payment of Fees. Pursuant to Section 2.2 of the Plan, all Administrative Expense Claims, including fees payable under 28 U.S.C. § 1930, will be paid by the Debtors or, as applicable, by the Liquidation Trustee, on the later of the Effective Date and the date such Administrative Expense Claim becomes Allowed. Therefore, the Plan complies with section 1129(a)(12) of the Bankruptcy Code.

CC. Section 1129(a)(13) - Retiree Benefits. The Debtors do not sponsor or provide any retiree benefit plans within the meaning of section 1114 of the Bankruptcy Code. Accordingly, section 1129(a)(13) of the Bankruptcy Code is not applicable to the Plan.

DD. Section 1129(a)(14) - Domestic Support Obligations. The Debtors are not required to pay any domestic support obligations. Accordingly, section 1129(a)(14) of the Bankruptcy Code is not applicable to the Plan.

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EE. Section 1129(a)(15) - Debtors Are Not Individuals. The Debtors are not individuals. Accordingly, section 1129(a)(15) of the Bankruptcy Code is not applicable to the Plan.

FF. Section 1129(a)(16) - Transfers. Each of the Debtors is a moneyed, business, or commercial corporation or trust and, therefore, section 1129(a)(16) of the Bankruptcy Code is not applicable to the Plan.

GG. Section 1129(b) - Cramdown. Notwithstanding the deemed rejection of the Plan by Class 4 (Intercompany Unsecured Claims) and Class 5 (Equity Interests), the Plan may still be confirmed under section 1129(b) of the Bankruptcy Code because the Plan does not unfairly discriminate against, and is fair and equitable with respect to, the Holders of Claims in Class 4 and Interests in Class 5 because, among other possible reasons, no Holder of any Claim or Interest in Class 5 will receive or retain any property under the Plan.

HH. Section 1129(c) - Only One Plan. The Plan is the only plan filed in these chapter 11 cases and, therefore, section 1129(c) of the Bankruptcy Code does not apply.

II. Section 1129(d) - Principal Purpose of Plan. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of application of Section 5 of the Securities Act of 1933, as amended. Therefore, the Plan complies with section 1129(d) of the Bankruptcy Code.

JJ. Substantive Consolidation. Section 5.1 of the Plan provides for the substantive consolidation of the Debtors' Estates for the purposes of voting, confirmation and distributions. Based on the evidence presented at or before the Confirmation Hearing, and the entire record of these Chapter 11 Cases, the Court finds that such consolidation is factually warranted, fair and equitable, and in the best interest of the Debtors' creditors and estates, because, among other

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things: (i) the Debtors are non-operating; (ii) none of the Debtors' unsecured creditors would be harmed by substantive consolidation; (iii) administrative time and expense may be saved by such consolidation; and (iv) no objections have been filed raising any objection to substantive consolidation as provided in the Plan, and creditors voted to approve a plan providing for such consolidation.

KK. Assumption and Rejection of Contracts. Article IX of the Plan governing the assumption and assignment or the rejection of executory contracts and unexpired leases satisfies the requirements of sections 365(a), 365(b) and 365(f) of the Bankruptcy Code. As reflected in **Exhibit C** to the Plan Supplement, the Debtors are not assuming any executory contracts or unexpired leases pursuant to the Plan.

LL. Settlements, Releases and Exculpation. All releases, injunctions, exculpations, settlements and compromises embodied in the Plan, including the AT&T Settlement Agreement, and the distributions and rights provided thereunder, are an integral part of the Plan. Pursuant to sections 105(a) and 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the AT&T Settlement Agreement, and the settlements, releases, exculpations, and injunctions set forth in the Plan, including, without limitation, releases and exculpations set forth in Sections 12.1, 12.2, 12.3, 12.4, 12.5, and 12.6 of the Plan, are in exchange for good and valuable consideration and represent good faith settlements and compromises of Claims and Causes of Action, are fair, equitable, reasonable and in the best interests of the Debtors, their Estates and creditors, and such provisions: (i) fall within the jurisdiction of this Court under 28 U.S.C. §§ 1334(a), (b), (d) and (e); (ii) are essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (iii) are important to the overall objectives of the Plan to finally resolve all Claims among or against the parties in interest in the Chapter 11 Cases, except to the extent

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otherwise provided in the Plan; and (iv) are consistent with sections 105, 1123, 1129 and other applicable provisions of the Bankruptcy Code.

MM. Section 1125(e) - Good Faith Solicitation. Based on the record before the Court in these chapter 11 cases, the Debtors, AT&T, the Committee and the individual Committee members in their official capacity only, and the Liquidation Trustee and their respective members, managers, officers, directors, employees, advisors, attorneys, representatives, financial advisors, investment bankers, or agents have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with their respective activities relating to the solicitation of acceptance or rejection of the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and they are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 12.4 the Plan.

BASED ON THE FOREGOING, IT IS HEREBY ADJUDGED, ORDERED AND DECREED AS FOLLOWS:

1. Disclosure Statement Approved. The Disclosure Statement, together with all exhibits thereto, is approved on a final basis in each and every respect pursuant to section 1125 of the Bankruptcy Code.

2. Plan Confirmed. The Plan is hereby confirmed pursuant to section 1129 of the Bankruptcy Code, and each and every provision contained therein is approved in its entirety. The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, or enforceability of such provision.

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3. AT&T Settlement Approved. Pursuant to sections 105 and 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019, the AT&T Settlement Agreement, attached as **Exhibit 1** to the Plan, is hereby authorized and approved in all respects and incorporated herein.

4. Confirmation Objections Overruled. The Court hereby denies and overrules all objections not previously withdrawn or otherwise resolved and relating to (a) the approval of the Disclosure Statement, and/or (b) the confirmation of the Plan.

5. Plan Classification Controlling. The classification of Claims and Interests for purposes of the Distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications and dollar amounts set forth on the ballots tendered to or returned by the Debtors' creditors and equity interest holders in connection with voting on the Plan (i) were set forth on the ballots for purposes of voting to accept or reject the Plan, (ii) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and Interests under the Plan for distribution purposes, and (iii) shall not be binding on the Debtors or the Liquidation Trustee and shall nor limit, prejudice or impair any party in interest from filing any objections to Claims.

6. Binding Effect. The Plan and its provisions shall be binding on the Debtors, any entity acquiring or receiving property or a distribution under the Plan, and any Holder of a Claim against or Interest in the Debtors, including all governmental entities, whether or not the Claim or Interest of such Holder (i) is impaired under the Plan or (ii) has accepted the Plan.

7. Substantive Consolidation. The Debtors' Estates are hereby substantively consolidated for the purposes of implementation and consummation of the Plan, including, without limitation, for purposes of voting, confirmation and Distributions on Allowed Claims.

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8. Rejection of Executory Contracts and Unexpired Leases. Pursuant to sections 105, 363, 365 and 1123(b)(2) of the Bankruptcy Code, the Court hereby approves the Debtors' rejection of Executory Contracts and Unexpired Leases pursuant to the provisions contained in Article IX of the Plan.

9. Bar Date for Rejection Claims. Holders of Claims as a result of the rejection of an executory contract or unexpired lease by the terms of the Plan shall file a Proof of Claim for rejection damages no later than thirty (30) days after the Effective Date. If such claimant does not timely file such proof of claim, such claimant shall be forever barred from asserting a claim against the Debtors, their Estate, or the Liquidation Trustee for such rejection damages.

10. Corporate Action / General Authorizations. All matters provided for under the Plan and the AT&T Settlement Agreement involving any corporate action to be taken by, or required of, the Debtors, shall be deemed to have occurred and be effective as provided in the Plan, and shall be authorized and approved in all respects without any requirement for further action by the stockholders, directors, members, or partners of any such entities. Notwithstanding the foregoing, the Debtors' officers, or as applicable the Liquidation Trustee, shall be authorized to the extent necessary or advisable to execute, deliver, file, or record such contracts, instruments, settlement agreements, releases, indentures, and other agreements or documents and to take or direct such actions as may be necessary or appropriate on behalf of the Debtors to effectuate and further evidence the terms and conditions of the Plan and the AT&T Settlement Agreement.

11. Further Actions. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Debtors or the Liquidation Trustee to take any actions necessary or appropriate to implement, effectuate and

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consummate the Plan, the AT&T Settlement Agreement, this Confirmation Order, and the transactions contemplated thereby, all without further application to, or order of, this Court unless such documents specifically require the approval and order of this Court with respect to the specific action or transaction to be taken or effectuated.

12. Plan Documents. The Plan, and the documents substantially in the form attached to the Plan, the Plan Supplement or the Disclosure Statement, together with any amendments, modifications and supplements thereto, are authorized and approved.

13. Vesting of Assets. Upon the Effective Date, all of the Assets and other possible property of the Debtors shall vest in the Liquidation Trust pursuant to the Plan and the Liquidation Trust Agreement, and except as provided in the Plan or the Liquidation Trust Agreement, free and clear of all Liens, Claims, encumbrances and interests in accordance with section 1141 of the Bankruptcy Code, but subject to the rights of Holders of Allowed Claims to obtain any Distributions provided for in the Plan.

14. Preservation of Causes of Action / Defenses. In accordance with section 1123(b)(3) of the Bankruptcy Code, and unless a Claim, objection, defense or Cause of Action against a Person is expressly waived, relinquished, released, compromised or settled in the Plan (including, for the avoidance of doubt, in the AT&T Settlement Agreement), or any Final Order of the Bankruptcy Court (including this Confirmation Order), nothing in this Confirmation Order or the Plan shall be deemed to waive, abandon, relinquish, impair, or otherwise prejudice any claims, objections, defenses, or Causes of Action, including any rights of setoff or recoupment, that the Debtors, the Estate, or the Liquidation Trustee may have and that constitute Assets that are vested in the Liquidation Trust, and the Debtors, the Estate and/or the Liquidation Trustee will retain and may (but shall not be required to) enforce all such claims, objections, defenses or

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Causes of Action, including, without limitation, Causes of Action not specifically identified or described in the Plan or elsewhere or of which the Debtors or the Committee may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors or the Committee at this time or facts or circumstances which may change or be different from those the Debtors or the Committee now believe to exist. In addition, **Exhibit B** to the Plan Supplement satisfies all necessary requirements to preserve all Causes of Action set forth therein and meets all due process requirements to both the Holders of Claims and Interests both voting and non-voting and to all parties against whom such a potential Cause of Action may arise. The Debtors and their Estate shall expressly reserve the right of the Liquidation Trustee to pursue or adopt any claims alleged in any lawsuit in which the Debtors are a defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

15. Liquidation Trustee / Post-Confirmation Management. Effective upon the Effective Date, the Court hereby approves the appointment of Peter Kravitz as the Liquidation Trustee pursuant to Section 4.3 of the Plan and the Liquidation Trust Agreement for purposes of winding up the Estate's assets and affairs and carrying out the terms of the Liquidation Trust Agreement. The Liquidation Trustee shall be the representative of the Debtors and their Estate pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, shall be empowered to manage the Debtors and serve as a responsible officer of the Debtors until they are dissolved, and shall have the general duties and powers set forth in Article IV of the Plan and the Liquidation Trust Agreement.

16. Resignation of Officers. Upon the Effective Date, all other officers, directors and employees of the Debtors are deemed to have resigned from the Debtors and are discharged from

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their duties and positions. However, nothing in the Plan or this Confirmation Order shall prohibit or otherwise prevent the Liquidation Trustee from engaging one or more of such officers, directors or employees to assist the Liquidation Trustee in performing his duties under the Liquidating Trust Agreement.

17. Corporate Status and Dissolution. The Liquidation Trustee may, in his discretion, maintain the corporate status of the Debtors if deemed reasonably necessary or desirable to aid in winding down the Debtors' affairs and liquidating the Assets in the Estate. Upon the entry of a Final Decree or other order(s) of this Court closing each of the Debtors' Chapter 11 Cases, each of the Debtors corresponding to each closed Chapter 11 Case shall be deemed to have been dissolved upon the closing of such Chapter 11 Case without any further action by the Debtors or the Liquidation Trustee, and without the necessity of filing any documents with the Secretaries of State of the jurisdictions in which they are organized or conducting business, or complying with any of any business corporation, limited liability company, trust, registration, or other laws, rules or regulations to which the Debtors might be subject under applicable non-bankruptcy law. Notwithstanding the foregoing, the Liquidation Trustee shall have the authority to take all actions that he deems necessary or appropriate to formally dissolve the Debtors in, withdraw the Debtors from, or deregister the Debtors in any applicable state or subdivision thereof.

18. Oversight Committee. Upon the Effective Date, (i) each of the members of the Committee shall immediately be deemed to act as members of the Oversight Committee, and (ii) the Committee's Professionals may be retained by the Oversight Committee. Notwithstanding the foregoing, the Committee shall continue to exist solely to prosecute any applications for payment of its fees and expenses and reimbursement of any Committee member's expenses.

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19. Injunction. Except as otherwise expressly provided for in the Plan or this Confirmation Order, entry of this Confirmation Order shall act as a permanent injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or Cause of Action satisfied, released under the Plan, including Claims of Causes of Action released pursuant to Article XII of the Plan, or discharged under the Plan, including, without limitation, to the fullest extent provided for or authorized by §§ 524 and 1141 thereof.

20. Tax Returns / Tax Items. The Debtors shall timely file all tax returns, including final sales tax and franchise tax returns, as required by applicable state law and by 28 U.S.C. §§ 959(b) and 960. Any setoff rights available under section 553 of the Bankruptcy Code to any governmental units (as defined under section 101(27) of the Bankruptcy Code) is hereby expressly reserved for the benefit of such governmental units. Notwithstanding any other provision in the Plan or this Confirmation Order, pursuant to Section 503(b)(1)(D), a governmental unit shall not be required to file a request for the payment of an Administrative Expense Claim of the type described in sections 503(b)(1)(B) or 503(b)(1)(C) of the Bankruptcy Code.

21. Exculpation and Limitation of Liability. Notwithstanding anything contained in this Confirmation Order or the Plan to the contrary, the Exculpated Parties⁵ and AT&T shall neither have nor incur any liability to any person or entity for any and all Claims and Causes of Action arising on or after the Petition Date, including any Claim or Cause of Action relating in any way to acts taken or omitted in connection with, or related to, formulating, negotiating,

⁵ “Exculpated Parties” means, collectively, the Debtors, the Debtors’ directors and officers, the Committee and the individual members thereof (solely in their capacity as such), and each of their respective Representatives (as that term is defined in the Plan), each of the foregoing in its individual capacity as such.

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preparing, disseminating, soliciting, implementing, administering, confirming or consummating the Chapter 11 Cases, the Plan, the Disclosure Statement, the Liquidation Trust Agreement, the AT&T Settlement Agreement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan, the AT&T Settlement Agreement or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the sale or the liquidation of the Debtors; provided, however, that the foregoing provisions of this paragraph shall have no effect on the liability of any person or entity that results from any such act or omission that is determined in a Final Order to have constituted fraud, gross negligence or willful misconduct; provided, further, that each Exculpated Party and AT&T shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in connection with, the Chapter 11 Cases or the above-referenced documents and acts. Without limiting the generality of the foregoing, the Exculpated Parties, AT&T, and their respective Professionals (as that term is defined in the Plan) shall be entitled to and granted the protections and benefits of Section 1125(e) of the Bankruptcy Code. For the avoidance of doubt, nothing in this paragraph shall be construed as a release of any Claim or Cause of Action against the Exculpated Parties or AT&T based upon any act or omission, transaction or other occurrence or circumstances existing or taking place prior to the Petition Date, except to the extent such Claim or Cause of Action is otherwise released under this Confirmation Order or the Plan.

22. Releases and Injunction. Effective upon the Effective Date, (i) the release of claims by (a) the AT&T Releaser Parties and the Debtor Releaser Parties as provided in, and subject to, Section 12.3 of the Plan and the AT&T Settlement Agreement, and (b) certain Holders of Claims or Equity Interests as provided in, and subject to, Section 12.5 of the Plan, and (ii) the injunction as provided in, and subject to the terms of Section 12.6 of the Plan, are hereby

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approved and authorized as fair, equitable, reasonable and in the best interests of the Debtors, their Estate, and their creditors.

23. Books and Records. On the Effective Date, the Debtors are authorized to deliver or otherwise make available to the Liquidation Trustee for inspection and copying (“Transfer”) all books, records and files stored in any medium from which information can be obtained, including electronically stored information, in their possession, custody or control (“Books and Records”), and without any obligation or duty to retain copies thereof. Upon such Transfer of the Books and Records to the Liquidation Trustee, the Debtors and their officers, directors, employees and agents shall have no further obligations or duties with respect to the maintenance, preservation or production of Books and Records.

24. Attorney-Client and Other Privileges. On the Effective Date, to the extent the production of any documents or communications are not encompassed within the common or community of interest doctrine, all privileges with respect to any Liquidation Trust Assets, including, without limitation, the attorney/client privilege, work product protection, or other privilege or immunity attaching to any documents or communications, to which the Debtors are entitled shall be automatically vested in, and available for assertion or waiver by, the Liquidation Trustee on behalf of the Liquidation Trust. The vesting of the attorney/client privilege, work product protection, or other privilege or immunity attaching to any documents or communications in the Liquidation Trustee is not intended as, and will not constitute or result in, a waiver of any such privilege, protection or immunity in favor of any creditor, party in interest or other third party. However, nothing in this Order shall preclude the Debtors or any other creditor or party in interest from contesting the scope or applicability of any such privilege, vesting, assertion or waiver.

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25. Consent to Withdrawal of Case Professionals. Upon the appointment of the Liquidation Trustee, Case Professionals are authorized, but not required, to withdraw from their respective representations of the Debtors and their estates and, if any Case Professional elects to withdraw from its representation, such Case Professional, automatically and without any further documentation of any kind, shall be released and discharged from any and all further authority, duties, responsibilities and obligations relating to or arising from the Chapter 11 Cases and confirmation of the Plan effective upon notification of the Liquidation Trustee of such case Professional's decision to withdraw. The Withdrawal of any Case Professional shall not affect the rights described in the Liquidation Trust Agreement, including in Section 2.2 thereof, and the right of the Liquidation Trustee to retain such Case Professional pursuant to the Liquidation Trust Agreement.

26. Treatment of the Utility Escrow. Nothing in the Plan shall affect the treatment of the Utility Escrow (as defined in the Sale Order) established and maintained pursuant to paragraphs 35 or the last sentence of paragraph 36 of the Sale Order. To the extent that the Court determines pursuant to the procedures established in paragraph 35 of the Sale Order that the extent and validity of Utility Contracting Co.'s alleged secured claim to be paid from the Utility Escrow is less than the amount of the Utility Escrow, the difference shall be treated as an Allowed Class 3 Claim under the Plan (in an amount not to exceed \$193,535.93).

27. Carrier Claims. For purposes of this Confirmation Order, the term "Carrier Claims" means the claims included in the informal complaint dated February 26, 2014 and filed with the FCC pursuant to 47 C.F.R. § 1.716 by (i) MCI Communications Services, Inc. d/b/a Verizon Business Services ("Verizon"); (ii) Qwest Communications Company, LLC d/b/a CenturyLink QCC ("CenturyLink"); and (iii) Sprint Communications Company L.P. ("Sprint")

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and together with Verizon and CenturyLink, the “Carriers”) against Local Exchange Carriers of Michigan, Inc., Great Lakes Comnet, Inc., and Westphalia Telephone Company, File No. EB-14-MDIC-0001. The Carrier Claims that have been asserted in a proof of claim filed before March 1, 2017 may become subject to a formal complaint with the FCC; but, in no event, shall the allowed amount of a Carrier Claim held by a Carrier (i) exceed the liquidated amount set forth in such Carrier’s proof of claim that was filed before March 1, 2017 in the Chapter 11 Cases, or (ii) be classified or treated under the Plan or this Confirmation Order other than as a Class III Claim.

28. Notwithstanding Sections 10.2 and 13.1 of the Plan or any other provision of the Plan or this Confirmation Order, (i) the FCC shall continue to have jurisdiction to determine the allowance and amount of the Carrier Claims; (ii) all proceedings regarding the allowance or amount of any Carrier Claims or any proofs of claim relating to the Carrier Claims may proceed before the FCC (and any appellate court); (iii) any or all of the Carriers, may file a “Notice of Release from Stays or Injunctions” (“Notice”) in the Bankruptcy Court by no later than the 180th day after the Effective Date (as may be extended with respect to one or more Carrier Claims by written agreement of the Liquidating Trustee and one or more Carriers, the “Notice Deadline”) and thereafter the Carrier(s) that filed such Notice shall be entitled to commence, continue, or otherwise prosecute to judgment (but not thereafter) its/their Carrier Claim(s) before the FCC (and any appellate court); (iv) to the extent that a Carrier has not filed such Notice by the Notice Deadline, the Carrier Claims shall remain stayed and neither the FCC nor such Carrier may take any action outside of the Bankruptcy Court with respect to the Carrier Claims held by such Carrier; and (v) except as to ruling on a motion seeking approval of a compromise or other resolution (or as otherwise provided in clause (iv) immediately above), under no circumstances shall the Bankruptcy Court resolve any dispute regarding the amount or allowance of the Carrier

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Claims, whether or not included by the Carriers or any of their affiliates in one or more proofs of claim.

29. Notwithstanding paragraphs 27 and 28 above, any Carrier Claims that may be determined or allowed, whether by the Bankruptcy Court, FCC or otherwise, shall constitute Class 3 Claims under the Plan, and any collection or enforcement of such Carrier Claims shall be subject to the Plan, the Confirmation Order and the exclusive jurisdiction of the Bankruptcy Court.

30. Effect of Conversion. In the event this Chapter 11 case is converted to Chapter 7 of the Bankruptcy Code, then, thereafter, all property of the Debtors and/or Reorganized Debtors and/or the Liquidation Trust as of conversion will become property of the Chapter 7 estate.

31. Amendment to Section 4.7(e) of the Plan. Section 4.7(e) of the Plan is amended to read in its entirety as follows:

On and after the Effective Date, the Liquidation Trust shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. Section 1930(a)(6). After the effective Date, the Liquidation Trustee shall file with the Bankruptcy Court a quarterly post-Effective Date report in the format specified by the U.S. Trustee, for each quarter that the case remains open. The quarterly fee shall be calculated on all disbursements made by the Liquidation Trustee whether pursuant to the Plan or not until the case is closed, converted to Chapter 7 or dismissed. The Bankruptcy Court shall retain jurisdiction to decide any post-Effective Date dispute concerning the quarterly fees.

32. Resolution of CoBank Objection.

a. The Debtors and, upon the Effective Date, the Liquidation Trustee shall hold, segregate in a separate deposit account, and not distribute, the sum of \$2 million ("CoBank Dispute Escrow"), pending the earlier of (a) the consent of the Liquidation Trustee and CoBank, and (b) a subsequent Final Order, in either case, authorizing such distribution. Any Secured or superpriority Administrative Expense Claim held by CoBank on the Confirmation Date, if any, as determined by Final Order, in or against any of the Estates and/or Assets will transfer to the CoBank Dispute Escrow on the Effective Date, to the same extent and with the same validity and priority, as existed in or against the Estates and/or the Assets immediately prior to such transfer. The CoBank Dispute Escrow shall not be subject to any Liens, Claims, Secured Claims (other than the alleged, but Disputed, Secured Claim of CoBank), or any Administrative Expense Claims (other than the alleged, but Disputed, superpriority Administrative Expense Claim of CoBank).

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Other than with respect to the CoBank Dispute Escrow, all Assets and Liquidation Trust Assets shall be free and clear of any Liens, Claims and Interests of CoBank (except (a) to the extent that CoBank is determined by Final Order to be the holder of an Allowed General Unsecured Claim, upon such Allowance, CoBank shall be entitled to all the rights and benefits (and subject to all the duties and obligations) of the holder of an Allowed Class 3 Claim in the Allowed amount; and (b) CoBank shall retain its interest in, and rights with respect to, the Utility Escrow, as defined in and pursuant to the Sale Order [Doc. No. 405] ("Sale Order")). If, and to the extent, CoBank receives any amount from the Utility Escrow, the CoBank Dispute Escrow shall be reduced on a dollar-for-dollar basis.

b. If, and to the extent, the Debtors and, upon the Effective Date, the Liquidation Trustee, currently hold or subsequently receive any net Sale Proceeds as defined under the Sale Order (and, for the avoidance of doubt, exclusive of the deducted sums pursuant to clauses (a) through and including (e) of section 39(v) of the Sale Order, such amounts not constituting net Sale Proceeds), the Debtors or the Liquidation Trustee, as applicable, shall pay promptly such net Sale Proceeds to CoBank and, upon such payment, the CoBank Dispute Escrow shall be reduced on a dollar-for-dollar basis.

c. Notwithstanding anything to the contrary set forth in the Plan (including Section 7.2(h) therein) nothing in the Plan shall prohibit CoBank from seeking to recover interest, professional fees or other amounts incurred or arising prior to the Confirmation Date (but CoBank shall be barred from seeking interest, professional fees, or other amounts incurred or arising after the Confirmation Date) pursuant to section 506(b) of the Bankruptcy Code. However, any interest, professional fees, or other amounts that may be Allowed by Final Order shall only be paid to CoBank from the CoBank Dispute Escrow and shall not be paid from any other source.

d. The releases set forth in Section 12.5 of the Plan shall not apply to CoBank.

33. Bar Date for Professionals. All final requests for payment of Professional Fee Claims must be filed with the Bankruptcy Court pursuant to customary final fee applications by the date that is forty-five (45) calendar days after the Effective Date. The objection deadline relating to such fee applications shall be the date that is twenty-one (21) days after such fee applications are filed with the Bankruptcy Court. The Allowed amounts of any Professional Fee Claims shall be determined by the Bankruptcy Court following any hearing that may be scheduled by the Bankruptcy Court. If no objections are timely filed to any final fee application, the Bankruptcy Court may approve such fee applications without a hearing.

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34. Notice of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rule 3020(c), the Debtors shall serve notice of the entry of this Confirmation Order, the occurrence of the Effective Date and any bar dates established by the Plan to all known creditors, equity holders, and other parties in interest in the Debtors' Chapter 11 Cases within seven (7) Business Days after the occurrence of the Effective Date.

35. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, this Court shall retain jurisdiction to the fullest extent permitted by law to interpret and enforce the provisions of the Plan, the AT&T Settlement Agreement, this Confirmation Order, and all other matters set forth in Article XIII of the Plan.

36. Closing of Cases. Effective as of the Effective Date, this Confirmation Order shall act as a final decree pursuant to section 350 of the Bankruptcy Code formally closing the Chapter 11 Case of Comlink, L.L.C. (Case No. 15-00642-jtg); *provided, however*, that the Chapter 11 Case of Great Lakes Comnet, Inc. (Case No. 16-00290-JTG) shall remain open until such time as the Liquidation Trustee files with the Bankruptcy Court such documents required by the Bankruptcy Rules and any applicable orders of the Bankruptcy Court to close such Chapter 11 Case. Upon the Effective Date, counsel for the Liquidation Trustee shall submit proposed forms of order to the Bankruptcy Court to enter on the docket of Comlink, L.L.C. to close that case on the Effective Date.

37. No Stay of Order. This Confirmation Order is a final order and shall be effective and enforceable immediately upon its entry and shall not be stayed pursuant to Bankruptcy Rule 3020(e) or otherwise. Likewise, the provisions of this Confirmation Order approving the Plan and the AT&T Settlement Agreement shall be effective and enforceable immediately upon the

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entry of this Confirmation Order and shall not be stayed pursuant to Bankruptcy Rules 6004(h), 6006(d), 7062 or otherwise.

38. Failure of the Effective Date. In the event the Plan Proponents mutually determine, in their sole discretion, that the conditions to the occurrence of the Effective Date are unlikely to occur, the Plan Proponents may, but shall not be required, to seek an order from the Bankruptcy Court directing that the Confirmation Order be vacated and that the Plan be null and void in all respects.

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39. Order of Controlling Documents. To the extent there is any conflict between the terms of (i) this Confirmation Order, (ii) the Plan, and (iii) any other order of the Court, or any other document, the item in the immediately preceding list that is first listed between the two items shall control.

END OF ORDER

Order prepared and submitted by:

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Signed: March 30, 2017



LEC-MI_00032


John T. Gregg
United States Bankruptcy Judge

Legal Analysis Exhibit

LEC-MI Ex. 3

PUBLIC VERSION

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN

In re:

GREAT LAKES COMNET, *et al.*,¹

Debtors.

Chapter 11

Case No. 16-00290 (JTG)
(Jointly Administered)

**CERTIFICATION OF ANDRES A. ESTRADA WITH RESPECT TO THE
TABULATION OF VOTES ON THE JOINT CHAPTER 11 PLAN OF
LIQUIDATION OF THE DEBTORS AND OFFICIAL COMMITTEE OF
UNSECURED CREDITORS**

1. I, Andres A. Estrada, depose and say under the penalty of perjury:
2. I am a Senior Managing Consultant of Corporate Restructuring Services, employed by Kurtzman Carson Consultants LLC (“KCC”), located at 2335 Alaska Avenue, El Segundo, CA 90245. I am over the age of 18 and not a party to this action.
3. On January 27, 2016, the Court entered the **Order Authorizing the Retention and Appointment of Kurtzman Carson Consultants LLC as Official Claims, Balloting and Noticing Agent *Nunc Pro Tunc* to the Petition Date** [Docket No. 58] designating KCC as the claims, balloting agent and noticing agent.
4. On February 8, 2017, the Court entered the **Order (I) Conditionally Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Scheduling Disclosure Statement and Plan Confirmation Hearing and Approving Form and Manner of Related Notice and Objection Procedures, (IV) Approving Solicitation Packages and Procedures and Deadlines for Soliciting, Receiving and Tabulating**

¹ The Debtors are Great Lakes Comnet, Inc. (Case No. 16-00290) and Comlink, L.L.C. (Case No. 16-00292)

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Votes on the Plan, (V) Approving the Form of Ballot, and (VI) Granting Related Relief [Docket No. 694] (“**Plan Procedures Order**”), establishing among other things, certain solicitation and voting tabulation procedures.

5. KCC worked with the Debtors and their counsel to solicit votes to accept or reject the **Joint Chapter 11 Plan of Liquidation of the Debtors and Official Committee of Unsecured Creditors** [Docket No. 671] (the “**Plan**”) and to tabulate the ballots of creditors voting to accept or reject the Plan in accordance with the Solicitation and Voting Procedures approved in the Plan Procedures Order.

6. KCC has considerable experience in soliciting and tabulating votes to accept or reject proposed chapter 11 plans.

A. Service and Transmittal of Solicitation Packages and Related Information

7. The Plan Procedures Order established February 8, 2017 as the record date (the “**Record Date**”) for determining which creditors and holders of interests were entitled to receive the Solicitation Packages (as defined in the Plan Procedures Order) and, where applicable, vote on the Plan. KCC relied on the claims register maintained in these Chapter 11 Cases and the Debtors’ Schedules of Assets and Liabilities, in consultation with counsel to the Debtors, to identify which Holders of such Claims were entitled to vote to accept or reject the Plan in Class III (General Unsecured Claims). On February 14, 2017 KCC caused to be served Solicitation Packages on all known members of Class 3 in accordance with the Plan Procedures Order. KCC also caused to be served the Plan Procedures Notice and Notice of Non-Voting Status on members of Class I (Other Priority Claims), Class II (Secured Claims), Class IV (Intercompany Claims), and Class V (Equity Interests Claims). Additionally, KCC caused to be served the Plan

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Procedures Notice and Notice of Non-Voting Status on the creditor matrix and all other parties required to receive such notice pursuant to the Plan Procedures Order. Certificates evidencing the service of the foregoing were filed with the Court on February 28, 2017 [Docket No. 704] and March 3, 2017 [Docket No. 706].

B. The Tabulation Process

8. Pursuant to the Plan Procedures Order, holders of Claims in Class III (General Unsecured Claims) were entitled to vote to accept or reject the Plan. No other classes were entitled to vote on the Plan. CoBank, ACB submitted a ballot purporting to reject the Plan on account of a purported Class II claim (“**CoBank Ballot**”). The CoBank Ballot has been rejected pursuant to the Plan Procedures Order because Class II claims are not entitled to vote on the Plan.

9. Using the information outlined above, and with specific guidance and approval from the Debtors’ counsel, KCC created a voting database reflecting the names of holders in the Voting Class, addresses of such holders, voting amounts and classifications of Claims in the Voting Class.

10. Using its KCC CaseView voting database (“**KCC CaseView**”), KCC generated ballots for holders of Claims entitled to vote to accept or reject the Plan. The Plan Procedures Order established March 17, 2017 at 4:00 p.m. (prevailing Eastern Time) as the deadline for receiving ballots to accept or reject the Plan (the “**Voting Deadline**”).

11. Pursuant to the Plan Procedures Order, KCC received and tabulated ballots as follows: (a) each returned ballot was opened and inspected at KCC’s offices; (b) ballots were date-stamped and scanned into KCC CaseView; and (c) all ballots received on or before the Voting Deadline were then entered into KCC CaseView.

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12. Set forth below is a summary of the voting results with respect to the Voting Classes tabulated on a consolidated basis:

Total Ballots Received			
Accept		Reject	
Number	Amount	Number	Amount
Class III – General Unsecured Claims			
41 ² (100%)	\$ 30,692,248.51 (100%)	0 (0%)	\$0.00 (0.00%)

13. The final Ballot Report containing the summary of voting results on a consolidated basis is attached hereto as **Exhibit A**.

14. The detailed Ballot Report for Class III (General Unsecured Claims) is attached hereto as **Exhibit B**.

15. The unacceptable Ballot Report detailing any ballots that were not included in the tabulation above because they did not satisfy the requirements for a valid ballot as set forth in the Plan Procedures Order is attached hereto as **Exhibit C**.

16. Each ballot received by KCC is attached hereto as **Exhibit D**.

² AT&T submitted a ballot in the amount of \$15,900,000.00 to accept the Plan pursuant to the stipulation filed at docket number 705 (“**AT&T Ballot**”). The AT&T Ballot has been included in these voting results. To the extent necessary, KCC will file an amended certification if the Court does not approve the stipulation.

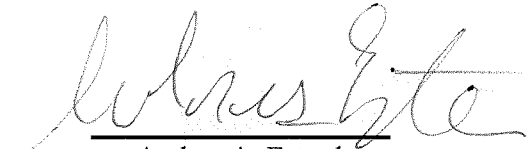
Per the terms of the Order Approving Terms of Compromise Among Debtors, CenturyLink Communications, LLC F/K/A Qwest Communications Company, LLC, Westphalia Telephone Company and Westphalia Broadband, Inc. [Docket No. 718], Claim No. 112 will be deemed to be reduced and allowed as a general unsecured non-priority Class III claim against GLC in the amount of Nine Million Dollars and deemed to have voted its Allowed Claim in favor of confirmation of the Joint Plan without need to submit a ballot.

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Conclusion

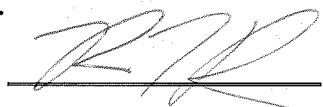
To the best of my knowledge, information and belief, the foregoing information concerning the distribution, submission and tabulation of ballots in connection with the Plan is true. The ballots received by KCC are stored at KCC's office and are available for inspection by or submission to this Court.

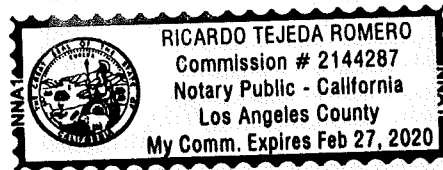
Dated: March 21, 2017


Andres A. Estrada

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 21st day of March, 2017, by Andres A. Estrada, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: 



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EXHIBIT A

PUBLIC VERSION

Class Name	Class Description	Members Voted	Members Accepted	Members Rejected	Unacceptable Votes	% Members Accepted	% Members Rejected	Total \$ Voted	\$ Accepted	\$ Rejected	% \$ Accepted	% \$ Rejected
3	General Unsecured Claims	41	41	0	5	100.00%	0.00%	\$30,692,248.51	\$30,692,248.51	\$0.00	100.00%	0.00%

PUBLIC VERSION

EXHIBIT B

PUBLIC VERSION
Ballot Report for Class 3 (General Unsecured Claims)

Date Filed	Ballot Number	Name	Class	Voting Amount	Vote	Opt Out of Releases?
3/6/2017	25	A & E Lock & Safe LLC	Class 3 General Unsecured Claims	\$75.00	Accept	No
2/24/2017	1	A PLUS INC	Class 3 General Unsecured Claims	\$600.00	Accept	No
3/13/2017	36	All Ways Tel Communications, Inc.	Class 3 General Unsecured Claims	\$7,877.00	Accept	No
3/7/2017	27	AT&T Corp., AT&T Services, Inc., and Their Affiliates	Class 3 General Unsecured Claims	\$15,900,000.00	Accept	No
3/9/2017	30	BARRY COUNTY TELEPHONE CO	Class 3 General Unsecured Claims	\$1,634.68	Accept	No
2/27/2017	11	BUIST ELECTRIC INC	Class 3 General Unsecured Claims	\$29,362.00	Accept	No
3/2/2017	17	CallidusCloud	Class 3 General Unsecured Claims	\$31,440.00	Accept	No
3/13/2017	37	CASAIR INC	Class 3 General Unsecured Claims	\$315.95	Accept	No
		CenturyLink Communications, LLC*	Class 3 General Unsecured Claims	\$9,000,000.00	Accept	
3/10/2017	34	CHERRYLAND ELECTRIC COOP	Class 3 General Unsecured Claims	\$910.00	Accept	No
3/17/2017	42	Clinton County Telephone Company	Class 3 General Unsecured Claims	\$2,050,374.90	Accept	No
3/16/2017	40	Cologix, Inc.	Class 3 General Unsecured Claims	\$20,175.54	Accept	No
3/9/2017	28	DIGGERS HOTLINE INC	Class 3 General Unsecured Claims	\$83.69	Accept	No
3/14/2017	39	FIRE PROS INC	Class 3 General Unsecured Claims	\$3,903.31	Accept	No
3/9/2017	31	Fire Pros, Inc.	Class 3 General Unsecured Claims	\$50,329.37	Accept	No
3/3/2017	20	Harty Maik Jennifer	Class 3 General Unsecured Claims	\$2,754.23	Accept	No
3/3/2017	21	Ingram Micro Inc.	Class 3 General Unsecured Claims	\$7,281.75	Accept	No
2/28/2017	14	Jem Tech Group	Class 3 General Unsecured Claims	\$2,332.60	Accept	No
3/6/2017	24	KENTWOOD OFFICE FURNITURE	Class 3 General Unsecured Claims	\$2,880.35	Accept	No
2/27/2017	9	LEHMAN WESLEY and ASSOCIATES	Class 3 General Unsecured Claims	\$72.00	Accept	No
3/6/2017	26	Merit Network, Inc.	Class 3 General Unsecured Claims	\$253,476.64	Accept	No
2/27/2017	8	MIKE FAUBLE	Class 3 General Unsecured Claims	\$100.00	Accept	No
3/9/2017	32	Milosek Matthew	Class 3 General Unsecured Claims	\$3,977.00	Accept	No
3/9/2017	33	MLW Sales, LLC	Class 3 General Unsecured Claims	\$2,120,602.74	Accept	No
2/27/2017	3	MUSKEGON COUNTY ROAD COMMISSION	Class 3 General Unsecured Claims	\$30.00	Accept	No
3/9/2017	29	OHIO UTILITIES PROTECTION SERV	Class 3 General Unsecured Claims	\$13.98	Accept	No
3/13/2017	38	Paul M. Bowman	Class 3 General Unsecured Claims	\$171,191.84	Accept	No
2/27/2017	5	Peckham, Inc	Class 3 General Unsecured Claims	\$6,825.00	Accept	No
2/27/2017	4	Peninsula Fiber Network, LLC	Class 3 General Unsecured Claims	\$20,771.18	Accept	No
3/2/2017	19	PLANT PROFESSIONALS THE	Class 3 General Unsecured Claims	\$230.32	Accept	No
2/28/2017	15	POWERNET GLOBAL	Class 3 General Unsecured Claims	\$266.84	Accept	No
2/27/2017	12	Pro-Tech Mechanical Services of Michigan	Class 3 General Unsecured Claims	\$4,465.00	Accept	No
2/27/2017	10	SMITH FLORAL & GREENHOUSES	Class 3 General Unsecured Claims	\$715.00	Accept	No
2/27/2017	6	SMITH FLORAL and GREENHOUSES	Class 3 General Unsecured Claims	\$286.20	Accept	No
2/27/2017	7	SPARROW MICHIGAN ATHLETIC CLUB	Class 3 General Unsecured Claims	\$2,230.18	Accept	No

PUBLIC VERSION
Exhibit B
Ballot Report for Class 3 (General Unsecured Claims)

Ballot		Name	Class	Voting Amount	Vote	Opt Out of Releases?
Date Filed	Number					
3/6/2017	22	TK Communications, L.L.C.	Class 3 General Unsecured Claims	\$757,386.30	Accept	No
3/13/2017	35	Toly Digital Networks, Inc	Class 3 General Unsecured Claims	\$35,699.38	Accept	No
2/27/2017	2	UTILITY CONTRACTING CO	Class 3 General Unsecured Claims	\$191,535.93	Accept	No
2/27/2017	13	WALKER AND ASSOCIATES INC	Class 3 General Unsecured Claims	\$4,739.26	Accept	No
3/17/2017	43	Westphalia Telephone Co	Class 3 General Unsecured Claims	\$2,509.55	Accept	No
3/6/2017	23	Winn Telecom	Class 3 General Unsecured Claims	\$2,793.80	Accept	No
*Per the terms of the Order Approving Terms of Compromise Among Debtors, CenturyLink Communications, LLC F/K/A Qwest Communications Company, LLC, Westphalia Telephone Company and Westphalia Broadband, Inc. [Docket No. 718], Claim No. 112 will be deemed to be reduced and allowed as a general unsecured non-priority Class III claim against GLC in the amount of Nine Million Dollars and deemed to have voted its Allowed Claim in favor of confirmation of the Joint Plan without need to submit a ballot.						

PUBLIC VERSION

EXHIBIT C

PUBLIC VERSION

Date Filed	Ballot Number	Name	Class	Voting Amount	Vote	Opt Out of Releases?
3/1/2017	16	Homeworks Tri County Electric	Class 3 General Unsecured Claims	\$16,462.79	Improper Vote - Abstained	No
3/2/2017	18	The Polack Corporation	Class 3 General Unsecured Claims	\$1,510.90	Improper Vote - Abstained	No
3/16/2017	41	CoBank, ACB	Class 2 Secured Claims	\$1,976,835.84	Improper Vote - Not Entiteld to Vote	Yes
3/20/2017	44	INDATEL SERVICES, LLC	Class 3 General Unsecured Claims	\$13,843.77	Improper Vote - Late Filed	No
3/20/2017	45	All American Communications	Class 3 General Unsecured Claims	\$4,190.96	Improper Vote - Late Filed	No

PUBLIC VERSION

EXHIBIT D

PUBLIC

Ballot #1 Date Filed: 2/24/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$600.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

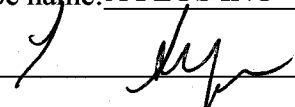
Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

02-24-17A10:58 RCVD

Print or type name: A PLUS INC

Signature: 

Title (if corporation or partnership)

Address:

PO BOX 585
PORTAGE, IN 46368

RECEIVED

FEB 24 2017

KURTZMAN CARSON CONSULTANTS

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

Ballot #2 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$191,535.93².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

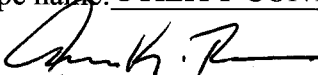
☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: UTILITY CONTRACTING CO

Signature: 

Title (if corporation or partnership) EXECUTIVE DIRECTOR

Address:

PO BOX 46
SPARTA, MI 49345--004

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:05 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC RECORD

Ballot #3 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$30.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: MUSKEGON COUNTY ROAD COMMISSION

Signature: *[Signature]*

Title (if corporation or partnership) Managing Director

Address:

7700 E APPLE AVE
MUSKEGON, MI 49442

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:05 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

Ballot #4 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$20,771.18².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Pepinula Fiber Network, LLC

Signature: *[Signature]*

Title (if corporation or partnership) GENERAL MANAGER

Address:

1901 W. Ridge St. Suite 2
Marquette, MI 49855

RECEIVED
FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:20 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

Ballot #5 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$6,825.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Peckham, Inc

Signature: *Harry Peckham*

Title (if corporation or partnership) CFO

Address:

3510 Capitol City Blvd
Lansing, MI 48906-2102

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:20 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

Ballot #6 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$286.20².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: SMITH FLORAL and GREENHOUSES

Signature: Karen S. Smith

Title (if corporation or partnership) _____

Address:

1124 E MOUNT HOPE
PO BOX 21026
LANSING, MI 48909

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight
Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

Ballot #7 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,230.18².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

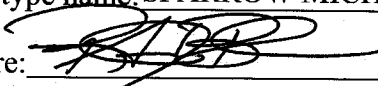
☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: SPARROW MICHIGAN ATHLETIC CLUB

Signature: 

Title (if corporation or partnership) BUSINESS MANAGER

Address:

2900 HANNAH BLVD
EAST LANSING, MI 48823

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

Ballot #8 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$100.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated: 2-23-17

Print or type name: MIKE FAUBLE

Signature: Michael D Fauble

Title (if corporation or partnership) Owner

Address:

611 SENECA PL
CADILLAC, MI 49601

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

Ballot #9 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$72.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: LEHMAN WESLEY and ASSOCIATES

Signature: *Bernard J. Lehman*

Title (if corporation or partnership) President

Address:

5123 W ST JOSEPH ST
STE 204
LANSING, MI 48917

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

Ballot #10 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$715.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: SMITH FLORAL & GREENHOUSES

Signature: Kidra S Smith

Title (if corporation or partnership) _____

Address:

1124 E MOUNT HOPE
PO BOX 21026
LANSING, MI 48909-102

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$29,362.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: BYLIST ELECTRIC INC

Signature: [Signature]

Title (if corporation or partnership) CFO

Address:

8650 BYRON CTR AVE
BYRON CENTER, MI 49315

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

Ballot #12 Date Filed: 2/27/2017

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$4,465.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Pro-Tech Mechanical Services of Michigan

Signature: [Signature]

Title (if corporation or partnership) President

Address: _____

RECEIVED

FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17A11:02 RCVD

2556 Alamo Drive
Suite 50B
Lansing, MI 48911

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$4,739.26²

Item 1: Vote on Plan. The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: Release Election. By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: WALKER AND ASSOCIATES INC

Signature: [Signature]

Title (if corporation or partnership) Credit Manager

Address:

2596 MOMENTUM PL
CHICAGO, IL 60689-5325

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivered or Overnight
Mail.

RECEIVED
FEB 27 2017

KURTZMAN CARSON CONSULTANTS

02-27-17P01:06 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.

2

28531807.1\130050-00009



1600292170210203921000170

Deposit Date: 2/21/2017

Lockbox: 232596

Batch: 113

Transaction: 1

LEC-MI_00058

PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,332.60.²

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Jem Tech Group

Signature: [Signature]

Title (if corporation or partnership) Finance Manager

Address:

23537 Lakepointe Dr
Clinton Township, MI 48036

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight
Mail.

RECEIVED

FEB 28 2017

KURTZMAN CARSON CONSULTANTS

02-28-17P12:14 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$266.84².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: POWERNET GLOBAL

Signature: Art M. Berger

Title (if corporation or partnership) Fulfillment Manager Powernet

Address: 8805 Governors Hill

Suite 250

Cincinnati, Ohio 45249

PO BOX 740146

CINCINNATI, OH 45274-0146

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

RECEIVED

FEB 28 2017

KURTZMAN CARSON CONSULTANTS

02-28-17P12:13 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$16,462.79².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☐ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☒ ELECT TO OPT OUT

Balance paid in full 8/17/16.

Dated:

Print or type name: Homeworks Tri County Electric

Signature: [Signature]

Title (if corporation or partnership) President/CEO

Address:

7973 E Grand River Ave
Portland, MI 48875

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

RECEIVED

MAR 01 2017

KURTZMAN CARSON CONSULTANTS

03-01-17A09:45 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$31,440.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: CallidusCloud

Signature: *[Signature]*

Title (if corporation or partnership) *Credit Mgr.*

Address:

4140 Dublin Blvd, Suite 400
Dublin, CA 94568

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight
Mail.

RECEIVED

MAR 02 2017

KURTZMAN CARSON CONSULTANTS

03-02-17A10:18 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$1,510.90².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☐ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: The Polack Corporation

Signature: *John Polack*

Title (if corporation or partnership) President

Address:

1400 Keystone Ave
Lansing, MI 48911

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight
Mail.

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MAR 02 2017

KURTZMAN CARSON CONSULTANTS

03-02-17A10:22 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$230.32

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: PLANT PROFESSIONALS THE

Signature: [Signature]

Title (if corporation or partnership) [Signature]

Address:

16886 TURNER ST
LANSING, MI 48906

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
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MAR 02 2017

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03-02-17A10:23 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,754.23².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated: 2/23/17

Print or type name: Harty Maik Jennifer

Signature: Jennifer Harty

Title (if corporation or partnership) _____

Address:

2223 Tulane Drive
Lansing, MI 48912

RETURN THIS BALLOT TO:

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MAR 03 2017

KURTZMAN CARSON CONSULTANTS

03-03-17A10:01 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$7,281.75.²

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN


☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Ingram Micro Inc.

Signature: 

Title (if corporation or partnership) MANAGER OF RECOVERY SERVICES

Address:

1759 Wehrle Dr.
Williamsville, NY 14221-7887

RETURN THIS BALLOT TO:

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MAR 03 2017

KURTZMAN CARSON CONSULTANTS

03-03-17P01:04 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$757,386.30².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: TK Communications, L.L.C.

Signature: *Karl Wuestenberg*

Title (if corporation or partnership) Member

Address:

Attn Robert D. Gordon
Clark Hill PLC
151 S. Old Woodward Ave., Suite 200
Birmingham, MI 48009

RECEIVED

MAR 06 2017

KURTZMAN CARSON CONSULTANTS

03-06-17P12:00 RCVD

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² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,793.80².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Winn Telecom

Signature: *Winn Telecom*

Title (if corporation or partnership) General Manager

Address:

402 N Mission St Ste 1
Mt Pleasant, MI 48858

RETURN THIS BALLOT TO:

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MAR 06 2017

KURTZMAN CARSON CONSULTANTS

03-06-17P12:03 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,880.35².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: KENTWOOD OFFICE FURNITURE

Signature: [Signature]

Title (if corporation or partnership) CFO

Address:

3063 BRETON ROAD
GRAND RAPIDS, MI 49512

RETURN THIS BALLOT TO:

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MAR 06 2017

KURTZMAN CARSON CONSULTANTS

03-06-17P12:04 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$75.00.²

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: A & E Lock & Safe LLC

Signature: 

Title (if corporation or partnership) _____

Address:

dba Emergency Lock & Safe
130 Packard Avenue SE
Grand Rapids, MI 49503

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight
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MAR 06 2017

KURTZMAN CARSON CONSULTANTS

03-06-17P12:04 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$253,476.64².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated: 3 March 2017

Print or type name: Merit Network, Inc.

Signature: Joseph Sawasky

Joseph Sawasky

Title (if corporation or partnership) President & CEO

Address:

1000 Oakbrook Drive, Suite 200
Ann Arbor, MI 48104

RECEIVED

MAR 06 2017

KURTZMAN CARSON CONSULTANTS

03-06-17A10:36 RCVD

RETURN THIS BALLOT TO:

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2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight
Mail.

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$983,257.36.²

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

AT&T Corp., AT&T Services, Inc., and Their

Print or type name: Affiliates

Signature: *Michael Grudus*

Title (if corporation or partnership) Assistant Vice President - Senior Legal Counsel

Address:

James W. Grudus, Esq.
AT&T Services, Inc.
One AT&T Way, Room 3A115
Bedminster, NJ 07921

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

RECEIVED

MAR 07 2017

KURTZMAN CARSON CONSULTANTS

03-07-17A10:28 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$83.69²

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated: 3/6/2017

Print or type name: DIGGERS HOTLINE INC

Signature: [Handwritten Signature]

Title (if corporation or partnership): Accounting Clerk

Address:

6577 SOLUTION CTR
CHICAGO, IL 60677

RETURN THIS BALLOT TO:

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2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

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MAR 09 2017

KURTZMAN CARSON CONSULTANTS

03-09-17A10:27 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.

28531807-1/130050-00009

2



1600290170210203920000059

PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$13.98².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: OHIO UTILITIES PROTECTION SERV

Signature: *Janie Novak*

Title (if corporation or partnership) VP of Finance & Human Resources

Address:

PO Box 76786
Cleveland, OH 44101

RETURN THIS BALLOT TO:

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Mail.

RECEIVED

MAR 09 2017

KURTZMAN CARSON CONSULTANTS

03-09-17A10:28 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$1,634.68².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: BARRY COUNTY TELEPHONE CO

Signature: [Signature]

Title (if corporation or partnership) GM + CEO

Address:

DEPT 3001
PO BOX 30516
LANSING, MI 48909

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RECEIVED

MAR 09 2017

KURTZMAN CARSON CONSULTANTS

03-09-17A10:29 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$50,329.37².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

3/6/17

Print or type name: Fire Pros, Inc.

Signature: Robert Pross

Title (if corporation or partnership) President

Address:

2710 Northridge Dr NW, #F
Grand Rapids, MI 49544

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

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MAR 09 2017

KURTZMAN CARSON CONSULTANTS

03-09-17P12:25 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$3,977.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

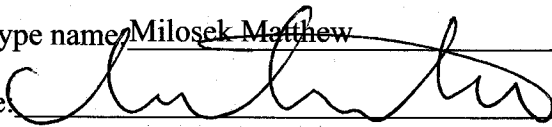
☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name Milosek Matthew

Signature: 

Title (if corporation or partnership) _____

Address:

12481 Clyde Rd
Fenton, MI 48430-9539

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RECEIVED

MAR 09 2017

KURTZMAN CARSON CONSULTANTS

03-09-17P12:26 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,120,602.74²

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: MLW Sales, LLC

Signature: Thomas Davis

Title (if corporation or partnership) Member

Address:

Thomas Davis
3696 Chestnut Ln
Dryden, MI 48428

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

RECEIVED

MAR 09 2017

KURTZMAN CARSON CONSULTANTS

03-09-17P12:27 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$910.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: CHERRYLAND ELECTRIC COOP

Signature: *W. J. Hall*

Title (if corporation or partnership) CFO

Address:

5930 US 31 S
PO BOX 298
GRAWN, MI 49637

RETURN THIS BALLOT TO:

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2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

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MAR 10 2017

KURTZMAN CARSON CONSULTANTS

03-10-17A11:29 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$35,699.38².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Toly Digital Networks, Inc

Signature: *Carson Auto*

Title (if corporation or partnership) PRESIDENT

Address:

100 West Indiantown Road Suite 201
Jupiter, FL 33458

RETURN THIS BALLOT TO:

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MAR 13 2017

KURTZMAN CARSON CONSULTANTS

03-13-17A09:56 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$7,877.00².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: All Ways Tel Communications, Inc.

Signature: 

Title (if corporation or partnership) President

Address:

5424 Bywood Rd.
Bloomfield Hills, MI 48302-2702

RETURN THIS BALLOT TO:

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MAR 13 2017

KURTZMAN CARSON CONSULTANTS

03-13-17A11:45 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$315.95².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: CASAIR INC

Signature: *San R. [Signature]*

Title (if corporation or partnership) _____

Address:

617 E LAKE ST
STANTON, MI 48888

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MAR 13 2017

KURTZMAN CARSON CONSULTANTS

03-13-17A11:46 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$171,191.84².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

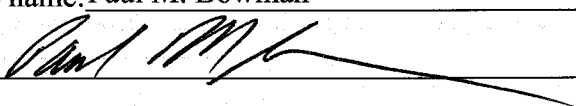
☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Paul M. Bowman

Signature: 

Title (if corporation or partnership) _____

Address:

Norman C. Witte (P40546)
119 E. Kalamazoo Street
Lansig, MI 48933-2111

RETURN THIS BALLOT TO:

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03-13-17A11:46 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$3,903.31².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated: 3/6/17

Print or type name: FIRE PROS INC

Signature: Robert Pross

Title (if corporation or partnership) President

Address:

2710 NORTHRIDGE DR NW STE F
GRAND RAPIDS, MI 49544

RETURN THIS BALLOT TO:

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MAR 14 2017

KURTZMAN CARSON CONSULTANTS

03-14-17P12:27 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$20,175.54².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Cologix, Inc.

Signature: *Jenna Bennett*

Title (if corporation or partnership) VP, ~~Asst~~ General Counsel

Address:

General Counsel
2300 15th Street, Suite 300
Denver, CO 80202

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

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MAR 16 2017

KURTZMAN CARSON CONSULTANTS

03-16-17P12:18 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC

BALLOT

The undersigned, the holder of a Class II claim against one or more of the Debtors in the unpaid amount of \$1,976,835.84²

Item 1: **Vote on Plan.** The undersigned holder of a Class II claim votes to:

(Check one box only)

☐ ACCEPTS THE PLAN

☒ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☒ ELECT TO OPT OUT

Dated: **March 14, 2017**

Print or type name: CoBank, ACB

Signature: *Richard Dill*

Richard Dill

Title (if corporation or partnership) VICE PRESIDENT

Address: **6340 S. Fiddlers Green Square
Greenwood Village, CO 80111**

**Christopher P. Schueller, Esq., Buchanan Ingersoll & Rooney PC
One Oxford Centre, 20th Fl.
Pittsburgh, PA 15219
(412) 562-8432**

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

- ☒ Date Stamped Copy Returned
☐ No self addressed stamped envelope
☐ No copy to return

RECEIVED

MAR 16 2017

KURTZMAN CARSON CONSULTANTS

03-16-17A10:23 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,050,374.90².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Clinton County Telephone Company

Signature: *David H. To*

Title (if corporation or partnership) President

Address:

109 E. Main Street
PO Box 368
Westphalia, MI 48894

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, CA 90245, by First Class Mail, Hand-Delivery or Overnight Mail.

RECEIVED

MAR 17 2017

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03-17-17A10:06 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$2,509.55².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)



ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Westphalia Telephone Co

Signature: *David H. H.*

Title (if corporation or partnership) President

Address:

1515 Turf Ln
East Lansing, MI 48823

RETURN THIS BALLOT TO:

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Mail.

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PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$13,843.77².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: INDATEL SERVICES, LLC

Signature: Mel Wagner Jr.

Title (if corporation or partnership) CEO

Address:

C/O WIN
800 WISCONSIN STREET
BUILDING D02 MAILB
EAU CLAIRE, WI 54703

RETURN THIS BALLOT TO:

Great Lakes Comnet, Inc. Ballot Processing Center, c/o Kurtzman Carson Consultants, LLC,
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Mail.

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MAR 20 2017

KURTZMAN CARSON CONSULTANTS

03-20-17A10:02 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



PUBLIC VERSION

BALLOT

The undersigned, the holder of a Class III claim against one or more of the Debtors in the unpaid amount of \$4,190.96².

Item 1: **Vote on Plan.** The undersigned holder of a Class III claim votes to:

(Check one box only)

☒ ACCEPTS THE PLAN

☐ REJECTS THE PLAN

Item 2: **Release Election.** By checking the box below, you elect NOT to grant the releases contained in Section 12.5 of the Plan.

☐ ELECT TO OPT OUT

Dated:

Print or type name: Alt American Communications

Signature: [Signature]

Title (if corporation or partnership) Owner

Address:

9233 Marathon Dr
Howard City, MI 49329

RETURN THIS BALLOT TO:

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MAR 20 2017

KURTZMAN CARSON CONSULTANTS

03-20-17A11:17 RCVD

² Amounts treated for voting purposes only and may be subject to any tabulation rules set by the Court.



Declaration of Michael Starkey

LEC-MI Ex. 4

PUBLIC VERSION

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC. 20554**

In the Matter of

ATT Services, Inc.
1120 20th Street, N.W.
Washington, D.C. 20036

AT&T Corp.
One AT&T Way
Bedminster, NJ 07921

Complainants,

V.

123.Net (d/b/a Local Exchange Carriers of
Michigan and/or Prime Circuits)
24700 Northwest Highway, Suite 700
Southfield, MI 48075

Defendant.

Proceeding Number 19-222
Bureau ID Number EB-19-MD-007

Declaration

of

Michael Starkey

September 25, 2019

PUBLIC VERSION

Declaration of
Michael Starkey
Proceeding Number 19-222
Bureau ID Number EB-19-MD-007
September 25, 2019

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PUBLIC VERSION

Declaration of
Michael Starkey
Proceeding Number 19-222
Bureau ID Number EB-19-MD-007
September 25, 2019

EXHIBITS

- Exhibit A: Curriculum Vitae
- Exhibit B: SECABS Billing Guidelines
- Exhibit C: AT&T Production Documents: ATTProd_0000195, 0000535, 0000143 - 0000145, 0000147 – 0000149, 0000355 (excerpts), and 0001342 (excerpts).
- Exhibit D: Direct Testimony of John W. Habiak (MPSC Case No. U-17619)

FIGURES

- Figure 1: Westphalia Telephone Company Interstate End Office Minutes of Use and 8YY Query Detail for LEC-MI (Sept. 2009)
- Figure 2: Westphalia Telephone Company Interstate End Office Minutes of Use and 8YY Query Detail for LEC-MI (Feb. 2010)
- Figure 3: Westphalia Telephone Company Interstate End Office Minutes of Use and 8YY Query Detail for LEC-MI May 2012 (LEC-MI, SFLDMIDICAO)
- Figure 4: LEC-MI Southfield Switch Interstate Minutes of Use
- Figure 5: LEC-MI 8YY Database Query Volume (Sept. 2009 – Feb. 2010)

PUBLIC VERSION

I. Assignment

1. My name is Michael Starkey. I was asked by counsel for 123.NET (d/b/a Local Exchange Carriers of Michigan, Inc., hereafter “LEC-MI”) to review the information in this case between AT&T Services, Inc. and AT&T Corp. (collectively “AT&T”) and LEC-MI. Thereafter, I was asked to: (1) provide background pertaining to the invoicing practices of small exchange carriers, particularly where charges for multiple carriers are included on a single invoice via Small Exchange Carrier Access Billing (“SECAB”) Guidelines, (2) describe my review of the charges, traffic and invoices at issue in this case, and (3) discuss the discernable trends in traffic for which AT&T was assessed end office and other charges related to services provided by LEC-MI.
2. This declaration is being provided based on the information that was available to me as of September 25, 2019. I reserve the right to supplement this declaration and my opinions if/when additional relevant documents and information become available for my consideration.

II. Introduction and Expert Qualifications

3. I am the President and founding partner of QSI Consulting, Inc. (“QSI”). QSI specializes in the areas of economic, financial, and technical analysis related to network industries with a special emphasis on telecommunications.
4. I have worked as a professional in the telecommunications industry since 1991 (approximately 28 years). Over the past twenty years, I have worked as a consultant for numerous communications companies (*e.g.*, AT&T, Comcast, Sirius XM Radio, Sprint, T-Mobile, Time Warner, etc.) and other industry stakeholders (*e.g.*, U.S. Department of Defense, state regulatory agencies, etc.). Prior to that, I served as the Director of Telecommunications for the Maryland Public Service Commission and as a senior economist for other state agencies authorized to regulate intrastate telecommunications markets (*i.e.*, the Illinois Commerce Commission and the Missouri Public Service Commission).
5. In my career I participated in numerous litigation efforts before state utility regulatory commissions, the Federal Communications Commission (“FCC”), and various

domestic and foreign administrative organizations. I have also provided testimony before state legislatures, the United States Patent and Trademark Office, and numerous arbitration panels. On numerous occasions, I have been accepted as an expert in telecommunications before courts of various jurisdictions. My background, education, and professional experience – including engagements wherein I served as an expert witness – are set forth in more detail in my *curriculum vitae*, included herewith as **Exhibit A**.

6. I have dedicated a large portion of my career to studying the technical, financial, and public-policy aspects of interconnection between telecommunications carriers. I have negotiated complex interconnection agreements that govern the physical, operational, and, importantly, financial means by which telecommunications carriers connect their networks and exchange calls. I have analyzed and structured inter-carrier compensation proposals and I have provided my opinions as an expert on these and similar matters in more than one hundred contested proceedings before state and federal regulators as well as various state and federal courts. As an example, in my role as a senior economic policy advisor with the Illinois Commerce Commission, I wrote numerous rules ultimately adopted in the Illinois Administrative Code facilitating the interconnection of competing telecommunications networks. This work resulted in one of the nation's first regulatory rules dealing with the exchange of local telecommunications traffic between competing carriers (*circa* 1994). More recently, I was asked to assist in forming the Secure Telephone Identity Governance Authority ("STI-GA"). The STI-GA is an industry-sponsored governance board tasked with combating automated telemarketing traffic (*i.e.*, "robo-calling") and illegal caller-identification manipulation (referred to as "spoofing"). The STI-GA provides policy and technical leadership in implementing requirements to be used in the near future by all domestic telecommunications carriers to authenticate traffic flowing between their networks. I currently serve as a member of the STI-GA Board and the Chair of its Corporate Structure Task Force.

III. Overview of Analysis and Conclusions

7. Based on my experience and the materials I have reviewed to date in connection with this matter, I have reached the following opinions that I summarize in the following paragraph and describe in greater detail in the balance of this declaration.
8. My review indicates that AT&T should have recognized by at least May of 2010 that it was being improperly billed by Westphalia for local switching charges on toll free (8YY) traffic originating from LEC-MI's switch. Its own access charge bill payment and dispute summaries show that it was analyzing rapid growth in local switching charges and minutes of use by May of 2010. Likewise, it is clear that AT&T was analyzing (indeed disputing) 8YY query charges specific to LEC-MI's operating company number ("OCN") that grew at notable rates beginning in early 2010. Finally, even a cursory review of Westphalia's or LEC-MI's call detail records ("CDRs") would have made clear that 8YY calls specific to LEC-MI's OCN were originating from myriad locations well outside of LEC-MI's local exchange footprint (indeed, they were originating from across the country). Any of these data individually should have indicated to AT&T that it was being billed, improperly, for local switching charges on mobile-originated 8YY calls. When combined, these data discredit any argument made by AT&T that it did not know, nor could have known, of Westphalia's improper billing before the middle of 2013. AT&T's claim in this regard is further discredited by the fact that AT&T had, since shortly after competitive local exchange carrier ("CLEC") access charges were invented and more than a decade before the time period relevant to this dispute, been closely analyzing traffic patterns of individual CLECs in an attempt to identify and combat CLEC 8YY aggregation.

IV. Background

A. Summary of Complaint

9. AT&T alleges it was wrongly billed by Westphalia Telephone Company ("Westphalia", or "WTC") for certain end office charges pertaining to toll free calls

that traversed LEC-MI's Southfield Michigan switch between February 2012 and February 2014.¹ AT&T claims that, despite the fact that the routing scenario giving rise to these charges began sometime in the early part of 2010, it was unaware that billed end office charges related to toll-free originated calls (referred to as 8YY traffic by AT&T) until sometime in mid-2013 (when it acquired a wireless company for whom many of the 8YY calls had been placed). The Formal Complaint in this proceeding² is related to a prior complaint filed by AT&T against Westphalia and Great Lakes Comnet ("GLC"). In that case, the FCC made certain determinations as to which company provided transport from LEC-MI's Southfield end office switch to Westphalia's tandem switch. AT&T relies, in part, on a conclusion in that prior case, to suggest it did not know, and could not have known, that it was billed for 8YY traffic switched by LEC-MI.

B. SECABS

10. AT&T acknowledges that it received LEC-MI's access charges via SECABS-compliant access invoices. For example, in its Joint Declaration AT&T concedes that, "[t]he invoices AT&T received that are associated with LEC-MI are, and have been since at least January 2012, received via e-mail and in the SECABS format."³ AT&T also acknowledges that it received a "single monthly SECABS formatted invoice that included charges associated with LEC-MI, Westphalia and GLC (as well as other carriers)," yet, the "invoices separately identify the traffic associated with each of Westphalia and LEC-MI by using the Operating Company Number ('OCN') for each company."⁴

¹ I understand that from February 2012 to August 2013, AT&T claims to have paid re-rated end office charges on all billed minutes of use ("MOUs"), but that beginning in August 2013 AT&T also withheld payments for billed MOUs in excess of 1,874,862 MOUs per month.

² Formal Complaint of AT&T Services, Inc., August 5, 2019 ("Formal Complaint").

³ Joint Declaration of Geri Lancaster and Kurt Giedinghagen, pp. 2-3("Joint Declaration") (ATT-0000003 and ATT-0000004).

⁴ Joint Declaration, p.3 (ATT-0000004).

11. SECABS Billing Guidelines⁵ were developed (and are maintained) by ATIS's Ordering and Billing Forum Committee. SECABS Billing Guidelines govern how telecommunications carriers will "produce complete and verifiable access bills for the [access] customers."⁶ Certain SECABS Billing Guidelines address scenarios wherein access charges for multiple local exchange carriers ("LECs") are included on a single access invoice – referred to as Meet Point Billing "MPB" or jointly provided switched access service. The purpose of these MPB-related billing guidelines is to assist interexchange carriers ("IXCs") with understanding and verifying individual company-specific access charges billed on a single SECABS invoice. Pertinent portions of those MPB-related billing guidelines are summarized below.
12. First, a MPB-related SECABS invoice should contain the phrase "Meet Point Bill" on the first page of the invoice to denote the fact that the invoice contains charges from more than one LEC.⁷ In addition, a unique OCN should be used to identify each of the LECs contained in the SECABS invoice and the associated access rate elements. For example, § 2.3.1.2 of the SECABS Billing Guidelines states:

The state/area specific company code is displayed on a provider's bill to identify the ratable elements by state/area when meet point service is provided under the Single Bill/Multiple Tariff or Multiple Bill/Multiple Tariff options. When using the Single Bill/Multiple Tariff or Multiple Bill options the billing company will identify all companies involved in a service by state/area specific company code.

In other words, when access charges from multiple LECs are included in a single SECABS invoice to an IXC, the state/area specific OCN is included in order to separately identify the ratable access elements associated with each LEC (by state/area). Section 3 of the SECABS Billing Guidelines⁸ contains other information

⁵ See attached as **Exhibit B**, ATIS Standard ATIS-0401005-0015. "ATIS" stands for Alliance for Telecommunications Industry Solutions.

⁶ Ex. B, ATIS Standard ATIS-0401005-0015 (SECABS), § 1.4.

⁷ Ex. B, ATIS Standard ATIS-0401005-0015 (SECABS), § 3.2.2 (Meet Point Bill Account Identifier).

⁸ Ex. B, ATIS Standard ATIS-0401005-0015 (SECABS), § 3 is entitled "Producing a Paper Bill." While the SECABS invoices received by AT&T were apparently transmitted electronically via e-mail

required on SECABS MPB invoices.⁹ For example, Section 3.6 entitled “Producing Detail Summary of Usage Charges” requires the following:

Producing Detail Summary of Usage Charges: This page(s) is only applicable to Switched Access...paper bills when usage sensitive charges are present, i.e., no corresponding mechanized record is produced. This data will be presented by feature group, by state/provider, by jurisdiction, and by usage billing period. All usage rate elements and directionality displayed in the Detail of Usage Charges section will also be displayed.

13. The required data elements under Section 3.6 include the following:

- Jurisdiction: “The narrative description of the jurisdiction (i.e. Interstate/InterLATA, Interstate/IntraLATA, Intrastate/InterLATA, Intrastate/IntraLATA, Local, Interstate/InterMTA, Intrastate/InterMTA and IntraMTA).”
- Quantity: “The number of minutes, calls, lines, queries, etc. to which a usage rate is being applied.”
- Rate Element: “An identification of the usage charge being billed (e.g., Residual Interconnection Charge [RIC], Carrier Common Line, Tandem Switched Facility, Tandem Switched Termination, etc.) including directionality. Refer to the appropriate access/interconnection tariff for a complete list of elements.”
- State Identification: “The state from which the usage charges were incurred.”
- Usage Amount: “The dollar amount for a specific usage rate element.”
- State/Area Specific Company Code (for Meet Point Billing): “The state/area specific company code identifies a company at the state/area level when that company provides access/interconnection service in more than one state/area. (Refer to section 2.3.1.2).”

14. Section 3.10 entitled “Producing the Detail of Usage Charges” states:

(as opposed to receiving a hard-copy paper bill), the SECABS invoices AT&T received followed the formatting described under Section 3 of the SECABS Billing Guidelines.

⁹ Section 3 contains certain categories of data to be contained in a SECABS invoice, including: “Required Data Elements” (§ 3.2.1 and § 3.3.1 and § 3.4.1) and “Additional Data Elements Required for Meet Point Billing” (§ 3.2.2).

The Detail of Usage Charges section should be provided when usage charges are present. These detail amounts comprise the total usage charges amount as displayed on the Face Page of the bill. This section should identify the end office for which the usage applies, the usage cycle being billed (from and thru dates), jurisdiction, Minutes of Use (MOUs), amount, rate, directionality (originating/terminating), Busy Hour Minutes Capacity (BHMC) quantity and type, mileage, and rate element, e.g., Residual Interconnection Charge (RIC), Tandem Switching, and Tandem Switched Facility...The switch or tandem that serves the customer's switch must also be identified to support the mileage measurement for the Local Transport Facility rates...For non-Wireless Billing, Interstate should be further broken down into Interstate/InterLATA and Interstate/IntraLATA when the rating is different. For non-Wireless Billing, Intrastate should be further broken down into Intrastate/InterLATA and Intrastate/IntraLATA when the rating is different...

15. In sum, the SECABS formatted invoices AT&T received (that included charges associated with LEC-MI access services) provided sufficient information for AT&T to: (1) understand that charges from multiple LECs were included on the invoice; (2) separately identify, for each LEC, associated ratable access elements; (3) understand the jurisdiction of the access services it was being billed; (4) verify the quantity of access services billed (*e.g.*, queries, minutes, calls) by each LEC; (5) identify each individual rate element billed; (6) identify the directionality (*i.e.*, originating versus terminating) of each rate element; (7) verify the total dollar amount billed for each individual usage element; and (8) identify the end office(s) for which the usage applied.

V. AT&T Is A Sophisticated Industry Player That Has Been Well Aware Of – And Actively Opposed – CLEC Access Charges, Including Originating Access Charges Associated With 8YY Aggregation, For Nearly Two Decades

16. Prior to the divestiture of AT&T, access charges were not needed. AT&T held a monopoly over the long-distance *and* local telephone markets, and therefore, AT&T could simply undertake an internal company allocation of long-distance revenues to

properly fund its own local networks used to complete long-distance calls.¹⁰ Once the Modification of Final Judgment (“MFJ”)¹¹ divested AT&T of its local networks (spinning off the local operations into separate unaffiliated Regional Bell Operating Companies or “RBOCs” and leaving the original AT&T only with the “long lines” – or long distance network – that connected individual local networks), the ability to properly compensate local networks for their role in completing a long-distance call via an AT&T internal company allocation was no longer possible. The new financial arrangement devised by the FCC to compensate local networks for their role in competing long distance calls was “access charges.” These access charges were to be assessed by local network providers (LECs) to long-distance providers (IXCs) who used LEC local networks to originate or terminate a long-distance call. Access charges were first codified by the FCC in its rules at 47 C.F.R. § 69 in 1983.¹²

17. When first implemented, access charges were assessed by a small number of LECs – *i.e.*, the seven RBOCs that were divested from AT&T and smaller, independent LECs operating in predominately rural areas. With the advent of local competition via the *Telecommunications Act of 1996* (“TA96”)¹³, numerous new LECs – referred to as CLECs – began offering access services and began assessing access charges to IXCs. Shortly thereafter (in December 1996), the FCC initiated a rulemaking proceeding to examine access charge reform, including whether CLECs can exercise market power regarding terminating access services and whether and how the FCC should regulate

¹⁰ It was standard regulatory policy at that time (*i.e.*, pre-divestiture) to set toll rates substantially in excess of their underlying costs so as to generate revenues necessary to subsidize local connectivity to the network. This regulatory policy, generally referred to as “universal service,” was intended to maximize the number of subscribers to the network by offering local network access at the lowest rates possible, including in most cases, local telephone rates which were set below their average, per-unit costs.

¹¹ *United States of America v. Western Electric Company, Inc. and American Telephone and Telegraph Co.*, United States District Court for the District of Columbia, Civil Action No. 82-0192, Modification of Final Judgment, Adopted August 24, 1982 (“MFJ”).

¹² 48 FR 10358, Mar. 11, 1983, see 47 C.F.R. § 69 – *Access Charges*.

¹³ *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. §§ 151 et. Seq (“TA96”) February 8, 1996.

those services.¹⁴ Since that point in time, CLEC access charges – both originating and terminating charges – have been the topic of numerous FCC decisions and disputes between IXC and CLECs. And for the entire time period from 1996 until the present, AT&T has been an extremely active and vocal opponent of CLEC access charges.

18. By late 1998 (less than two years after the FCC's Access Reform NPRM and less than three years after the TA96), AT&T was attempting to avoid CLEC access charges by avoiding CLEC access services altogether.¹⁵ By mid-1999, AT&T was involved in section 208 complaint proceedings related to CLEC access charges.¹⁶ Additionally, in the same mid-1999 timeframe, the FCC had already denied an AT&T petition for declaratory ruling that IXCs may refuse to purchase CLECs' switched access services.¹⁷ Likewise, beginning at least as early as 2000, AT&T was frequently refusing to pay CLEC access invoices that it viewed as unreasonable,¹⁸ as well as notifying CLECs of AT&T's refusal to exchange access traffic, block access

¹⁴ *In the Matter of Access Charge Reform*, Seventh Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 96-262, FCC 01-146, released April 27, 2001, ¶ 10 ("7th Report and Order"), citing *In the Matter of Access Charge Reform*, Notice of Proposed Rulemaking, Third Report and Order, and Notice of Inquiry, CC Docket No. 96-262, FCC 96-488, released December 24, 1996 ("Access Reform NPRM").

¹⁵ AT&T Petition for Declaratory Ruling, CCB/CPD No. 98-63, October 23, 1998.

¹⁶ See, e.g., 7th Report and Order, ¶ 16 ("The Commission addressed issues related to competitive carriers' access services in three different section 208 complaint proceedings. On July 16, 1999, in *MGC v. AT&T*, the Commission ruled that AT&T was liable to MGC for originating access charges at MGC's tariffed rate because AT&T had failed to take the necessary steps to terminate its access service arrangement with MGC...Finally, on March 13, 2001, in *Total Tel. v. AT&T*, the Commission ruled that a competitive access provider's rates for terminating access were the product of a sham arrangement to inflate its rates and to pass on a portion of the inflated rate to the carrier's single end user. Accordingly, we ruled in that proceeding that AT&T did not violate sections 201(a), 202(a), 214(a) or 251(a) of the Act when it declined the access provider's terminating access service and blocked traffic bound for the access provider's single end-user customer.")

¹⁷ 7th Report and Order, ¶ 17, citing FCC Pricing Flexibility and Further Notice of Proposed Rulemaking.

¹⁸ 7th Report and Order, ¶ 23 ("AT&T, on the other hand, has frequently declined altogether to pay CLEC access invoices it views as unreasonable.") See also, *Id.*, footnote 56, citing at least seven complaints regarding AT&T's non-payment of CLEC access invoices, all filed between April 2000 and March 2001.

traffic and terminate relationships with CLECs.¹⁹ AT&T was also very active in voicing its opposition to CLEC access charges in the FCC's Access Charge Reform proceeding (CC Docket No. 96-262), filing more than 300 comments, notices, motions, etc. in the docket (many of which were directed at opposing CLEC access charges).

19. In mid-2000, AT&T filed comments describing what it viewed as CLEC attempts to charge IXCs supracompetitive rates for both originating and terminating switched access, and requested mandatory detariffing of CLEC access rates that exceed incumbent local exchange carrier ("ILEC") rates.²⁰ AT&T focused its opposition on CLEC *originating* access charges in comments it filed with the FCC in July 2000:

Contrary to the Commission's suggestion in the *Fifth Report and Order and FNRPM*, however, this market failure is not limited to terminating access...While end users have an incentive to choose a low-priced provider of local exchange service – for which the end user pays – an end user has no incentive to choose a low-priced provider of originating access because the costs imposed by a high priced access provider must be spread among an IXC's total customer base and will have at most a negligible effect on the end user's own long distance rates...end users in fact have an incentive to choose *high* priced access providers, because such providers generally attract end users (and hence access revenues) by pricing their local exchange service at rock-bottom prices.²¹

20. As part of its advocacy and its day-to-day management of CLEC access charges, AT&T implemented sophisticated internal processes to track and analyze CLEC access charges. For instance, in November 2000, AT&T met with the FCC to discuss CLEC access charges and presented a detailed analysis of minutes of use ("MOUs"), rates, and expenses associated with CLEC switched access services billed to AT&T.²² This analysis tracked data separately by CLEC and by jurisdiction

¹⁹ 7th Report and Order, ¶ 24.

²⁰ AT&T Supplemental Comments, CC Docket No. 96-262, July 12, 2000.

²¹ AT&T Supplemental Reply Comments, CC Docket No. 96-262, July 24, 2000, pp. 2-3.

²² AT&T Ex Parte, CC Docket No. 96-262, November 8, 2000, table entitled ("2000 Projected High Priced CLEC Access Expense").

(interstate/intrastate). For this analysis, AT&T told the FCC that CLEC switched access billings was growing rapidly, and that it expected CLEC access billings for the year 2000 to be *three times* that of the year 1999.²³ AT&T also told the FCC that one of the factors driving increases in CLEC switched access billings was “Revenue sharing with [CLEC] end-user customers.”²⁴

21. Beginning in mid-2001, AT&T began describing to the FCC a more particular concern related to CLEC access services, i.e., aggregation of 8YY calls for purposes of assessing originating switched access charges. With respect to 8YY aggregation services, AT&T highlighted the fact that, in its opinion, “problems [] are more acute than ordinary CLEC switched access services.”²⁵ To address its concerns with CLEC originating 8YY access service, AT&T asked the FCC to: (A) “immediately benchmark...CLEC originating switched access service rates for all 8YY, toll-free traffic to the access rate charged by the...ILEC serving the same local market”²⁶ and (B) “find that revenue-sharing agreements between a CLEC and its customers based on the minutes of use or access revenues generated by the customer are an unreasonable practice and must be terminated.”²⁷ AT&T went on to describe a “CLEC 8YY aggregation scheme”²⁸ it believed CLECs used to stimulate originating 8YY traffic:

[I]n order to attract customers with large volumes of 8YY traffic to this scheme, CLECs typically use the lure of credits or “commissions” payable to the customer based on the volume of 8YY traffic that the customer generates. This CLEC revenue-sharing scheme severely distorts competition in a number of additional respects...the CLEC’s customers have an artificial incentive to maximize the amount of 8YY traffic which they generate because the more 8YY calls they can generate – calls which

²³ AT&T Ex Parte, CC Docket No. 96-262, November 8, 2000, Attachment, p. 1.

²⁴ AT&T Ex Parte, CC Docket No. 96-262, November 8, 2000, Attachment, p. 4.

²⁵ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 3.

²⁶ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 1.

²⁷ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 3.

²⁸ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 3.

cost them nothing – the larger are the commissions that they can earn from the CLEC. The increased 8YY traffic imposes wholly unnecessary and potentially substantial costs on other parties caused by the wasteful use and increased congestion of facilities used to provide 8YY services, including costs on the carriers that handle the calls, the parties that receive the 8YY calls, and the parties who are attempting to place legitimate 8YY calls.²⁹

22. AT&T even quantified for the FCC the dollar impact from what it described as the “CLEC 8YY aggregation scheme”:

Moreover, this CLEC 8YY aggregation scheme is not a small or isolated problem...AT&T has conservatively estimated that this CLEC 8YY scheme accounted for more than \$38 million in excessive CLEC access revenues in the first eight months of 2000 alone, or over \$57 million for the year.³⁰

23. AT&T demonstrated through its comments to the FCC that AT&T was capable of identifying particular CLECs that participate in the “8YY aggregation strategy”³¹ and analyzing those CLECs’ traffic patterns.³² AT&T also demonstrated that it was capable of identifying 8YY aggregation down to the individual telephone number level:

²⁹ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, pp. 2-3.

³⁰ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 3.

³¹ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 4.

³² For example, AT&T identified: (1) U.S. TelePacific (explaining that “over 99.97 percent of TelePacific’s originating traffic is 8YY traffic”); (2) Business Telecom, Inc. (explaining that “BTI marketed this plan to large aggregators of 8YY traffic as ‘a product that pays the *customer* to use it’ by generating revenues for the customer.”). Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, pp. 4-5. See also, AT&T Reply Comments, CC Docket No. 96-262, July 20, 2001, p. 5 (“For example, on June 27, 2001, AT&T detected a CLEC customer with an 8YY revenue-sharing arrangement that had made 1 million 8YY calls from two telephone numbers resulting in the transmission of 2.8 million minutes of unwanted traffic over AT&T’s network. Similarly, on June 25, 2001, AT&T discovered a CLEC customer with an 8YY revenue-sharing arrangement that had placed 1.5 million 8YY calls for 255,000 minutes over AT&T’s network from four telephone numbers. And just this past week, on July 9, 2001, AT&T discovered another CLEC customer with a revenue-sharing agreement that had ramped up the number of 8YY calls it was placing on AT&T’s toll-free network from an average of 924 calls for 625 minutes of use per day to 22,771 calls for 16,664 minutes of use per day.”)

For example, in one recent case, AT&T found that a single billing telephone number behind a CLEC switch had generated 854,517 messages and 518,596 minutes of use over a 28-day period. These 8YY numbers were dialed sequentially by the customer. The only possible explanation for this type of sequential dialing of 8YY numbers is an attempt by the CLEC customer to artificially increase the amount of 8YY traffic originating from its business in order to increase the amount that the customer can collect from the CLEC under a revenue-sharing ‘commission’ scheme...³³

24. AT&T noted that it was capable of identifying/analyzing 8YY traffic because of the billing information it received:

The CLECs, like all other carriers, are required to provide IXC with sufficient billing information to identify 8YY traffic.³⁴

25. AT&T also voiced its clear expectation that the concerns it had with 8YY aggregation in 2001 would continue and grow:

...there is every reason to expect that this strategy will continue to grow as more and more CLECs learn how to profit from it...rates set by the Commission still give CLEC 8YY aggregators ample opportunity to continue to engage in and expand their abusive revenue-sharing practices.³⁵

26. The primary purpose of summarizing AT&T’s conduct regarding CLEC access charges in the late 1990s-early 2000s timeframe is to demonstrate that AT&T is a sophisticated company that has been well aware of (and actively monitoring) CLEC access charges – specifically originating access charges associated with 8YY aggregation – from the outset (*i.e.*, long before the dispute between AT&T and LEC-MI arose). To recap:

- AT&T has operated as an IXC since “access charges” were first invented in 1983.

³³ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 8.

³⁴ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, pp. 12-13.

³⁵ Comments of AT&T Corp., CC Docket No. 96-262, June 20, 2001, p. 6.

- AT&T operated as an IXC when “CLECs” (and by extension, CLEC access charges) were first invented in 1996.
- By 1998, AT&T was attempting to avoid CLEC access charges by avoiding CLEC access *services* altogether.
- By 1999, AT&T was involved in section 208 complaint cases pertaining to AT&T’s refusal to pay CLEC access invoices (one of which involved a CLEC engaged in access stimulation and access revenue-sharing).
- By 2000, AT&T was frequently refusing to pay CLEC access invoices that it deemed unreasonable.
- By 2000, AT&T was notifying CLECs of AT&T’s refusal to exchange access traffic, to block traffic, and terminate access arrangements with CLECs.
- By 2000, AT&T was voicing its opposition to the FCC about what AT&T viewed as unreasonably high CLECs access rates for both originating and terminating access.
- By 2000, AT&T had implemented sophisticated processes to track/analyze CLEC access charges, with capabilities to (a) track CLEC access MOUs, rates and expense down to the individual CLEC level and (b) perform trend analysis to identify increases.
- By 2000, AT&T had identified revenue sharing agreements between CLECs and their customers as a factor leading to increased CLEC access billings.
- By 2001, AT&T was voicing its opposition to the FCC about the problems it had with CLEC originating 8YY access services – labeling it a “CLEC 8YY aggregation scheme” and describing it as a problem “more acute than ordinary CLEC switched access services.”
- By 2001, AT&T was identifying individual CLECs engaged in 8YY aggregation by analyzing those CLECs’ traffic patterns.
- By 2001, AT&T was identifying individual CLEC telephone numbers engaged in 8YY aggregation by analyzing those telephone numbers’ traffic patterns.
- By 2001, AT&T was quantifying the dollar impact on AT&T from CLEC 8YY aggregation.
- By 2001, AT&T acknowledged that 8YY aggregation was identifiable via the billing information CLECs were required to provide to CLECs.
- In 2001, AT&T was anticipating CLEC 8YY aggregation to continue and grow in the future.

- From 1996 until the present, AT&T has been one of the largest, if not the largest, CLEC access customers – or, in other words, AT&T is the interexchange carrier with the largest CLEC access charge expense.

27. AT&T's track record as it relates to monitoring and critiquing CLEC access charges (including 8YY aggregation) is important information the FCC should consider when evaluating AT&T's claim that it did not know, nor could have known, that charges assessed by LEC MI were specific to originating toll-free (8YY) calls. It seems reasonable to suggest that during the period at issue in this case, as an organization, AT&T was the most knowledgeable player in the industry as it relates to 8YY-related access charges.

VI. AT&T Could Have, And Should Have, Known The SECABS Invoices From WTC and GLC Included End Office Charges Billed for 8YY Calls That Traversed LEC-MI's End Office at All Times Relevant to the Formal Complaint

28. Based on my review of AT&T's Complaint, and the AT&T Joint Declaration, AT&T claims it was unaware LEC-MI's switch in Southfield, Michigan had been used for 8YY aggregation until sometime in mid-2013. Further, AT&T claims that it did not understand the access bills it was receiving from WTC included charges for 8YY traffic.³⁶ Moreover, AT&T's Joint Declaration goes further to suggest it was impossible for AT&T to understand from the SECABS-formatted invoices it received that LEC-MI's switch had been used to switch 8YY traffic that did not originate with LEC-MI's end user customers:³⁷

Based on the bills as submitted by the vendor on behalf of Westphalia as agent for LEC-MI, **AT&T had no means of knowing that LEC-MI was engaged in 8YY aggregation. Nor could AT&T tell from the bills alone that LEC-MI was assessing AT&T originating end office access charges on 8YY aggregation traffic.** Nor did LEC-MI, Westphalia or the vendor ever disclose the 8YY aggregation activities to AT&T. (emphasis added)

³⁶ Formal Complaint, p.12

³⁷ Joint Declaration, pp.3-4 (ATT-0000004 and ATT-0000005).

29. I do not believe that AT&T's claims are credible. As I discuss below, the SECABS-formatted invoices AT&T received from WTC allowed AT&T to identify the unique end office and other charges attributable to LEC-MI. Even though multiple LECs' charges were included on a single invoice, each LEC's charges were distinctly identified at the rate element level and attributed to each LEC via its unique OCN. The invoices also allowed AT&T to determine (a) the jurisdiction of LEC-MI's charges (*i.e.*, whether the charges relate to interstate or intrastate calls), (b) the directional nature of the charges at issue (*i.e.*, whether the charges pertain to originating and/or terminating access traffic), and, of particular interest in this case, (c) the extent to which 8YY database queries were assessed for traffic switched through LEC-MI's Southfield end office (among other relevant details).
30. Based on the information I have reviewed, it is my opinion that AT&T had sufficient detail at all times relevant to this matter to determine that it was being billed local switching charges for 8YY traffic originating from LEC-MI's OCN. Furthermore, trending analyses based on summaries of Westphalia's invoices clearly identify rapid growth in billed MOUs and otherwise point toward 8YY aggregation comprising an increasing portion of end office charges attributed to LEC-MI over time. Moreover, AT&T likely could have determined 8YY aggregation comprised an increasing portion of the end office charges billed by Westphalia for traffic switched through LEC-MI's Southfield switch by examining its own CDRs.³⁸ By comparing the SECABS-formatted access invoices it received from Westphalia with its own calling records AT&T should have been able to precisely, and promptly, identify all end office charges tied to 8YY aggregation.³⁹

³⁸ I have not yet had an opportunity to review all relevant CDRs and analyses conducted by AT&T in that regard, which I understand LEC-MI has requested through interrogatories served concurrently with its Answer to AT&T's Formal Complaint, and may update my conclusions and opinions in this matter if given the opportunity to review the relevant documents.

³⁹ Similarly, I have not yet had the opportunity to review documents related to AT&T's requests for or analyses of CDRs provided by WTC pertaining to any charges it assessed for usage through LEC-MI

A. The SECABS-formatted Invoices AT&T Received Include Details For Identifying 8YY Traffic

31. I requested copies of Westphalia's invoices to AT&T beginning with usage in January of 2009 through February of 2014. This data can be examined to: (i) determine whether information identifying 8YY traffic specifically attributable to LEC-MI's OCN and end office switch in Southfield, Michigan is evident, and (ii) examine trends in the invoice detail that may be relevant to AT&T's damages claims. Although LEC-MI has not been able to obtain a complete set of the invoices (or invoice summaries) at issue in this case,⁴⁰ AT&T states that it received SECABS-formatted invoices from at least the beginning of 2012.⁴¹ Further, AT&T indicated through its Joint Declaration that it had the detail necessary to examine—and dispute—those invoices at the rate element level throughout the period at issue in this dispute. That is to be expected given that AT&T was provided SECABs-compliant invoices.⁴²
32. I reviewed several AT&T documents related to this issue, including ATTProd_0000143, attached hereto in **Exhibit C**, which comprises a summary of the October 1, 2009 invoice AT&T received from Westphalia. At the highest level, the document includes a summary of the charges billed by Westphalia for itself (*i.e.*,
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switches, which I understand LEC-MI has also requested through interrogatories served concurrently with its Answer to AT&T's Formal Complaint, and may update my conclusions and opinions in this matter if given the opportunity to review the relevant documents.

⁴⁰ My understanding is that AT&T is the only party in this case who has, or had, a complete set of WTC's invoices to AT&T, and I have not yet had an opportunity to review those documents. I may update my opinions in this case if given an opportunity to review those documents.

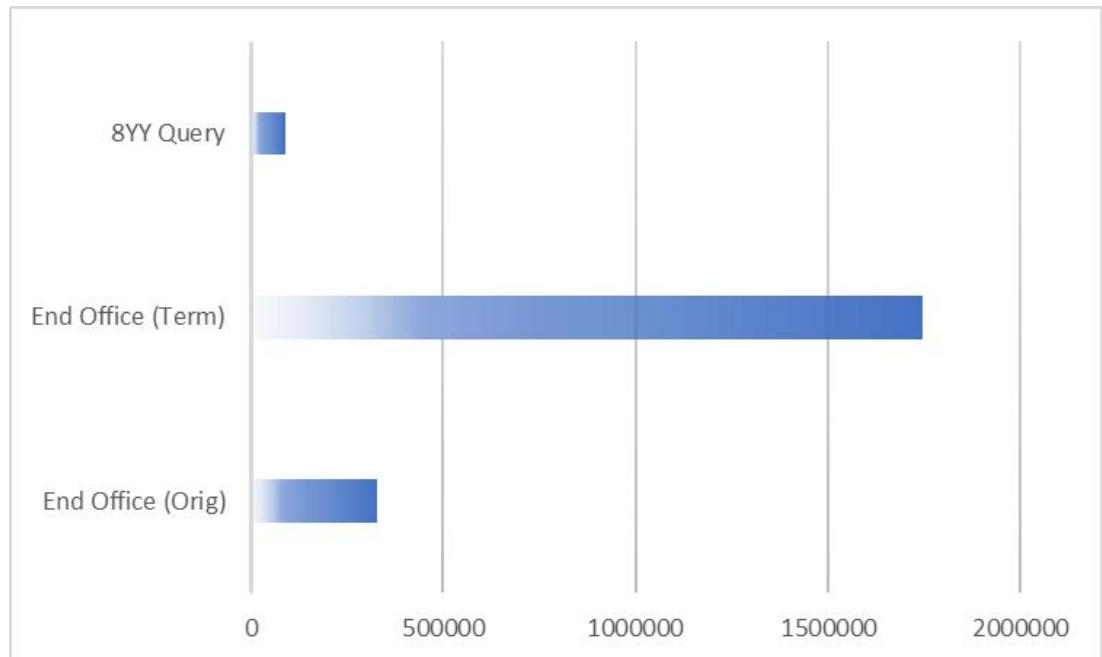
⁴¹ Joint Declaration, pp.3-4.

⁴² In order to perform a more complete analysis of the issues in this case, I would prefer to examine invoices from Westphalia to AT&T from the beginning of 2009 through February 2014. I do not consider my investigation complete (as to invoicing) until I have had an opportunity to review those data.

OCN 0735), LEC-MI (OCN 2550) and others. It also separately identifies for each carrier included in the invoice: (1) rate element descriptions, (2) billed rates, (3) billed quantities, (4) jurisdictional parameters (*e.g.*, interstate versus intrastate charges), and (4) directional parameters (*i.e.*, originating traffic versus terminating traffic charges). Moreover, AT&T's invoice summary document includes internal notations identifying the amounts, by line item, AT&T determined should be paid, or disputed and withheld.

33. Based on the details included in ATTProd_0000143, it is clear that the SECABS-formatted invoices AT&T received permitted AT&T to review, audit, and (when it deemed necessary) re-rate and/or dispute invoices at a granular level. Some of that data is summarized in Figure 1 below.

Figure 1: Westphalia Telephone Company Interstate End Office Minutes of Use and 8YY Query Detail For LEC-MI (September 2009)



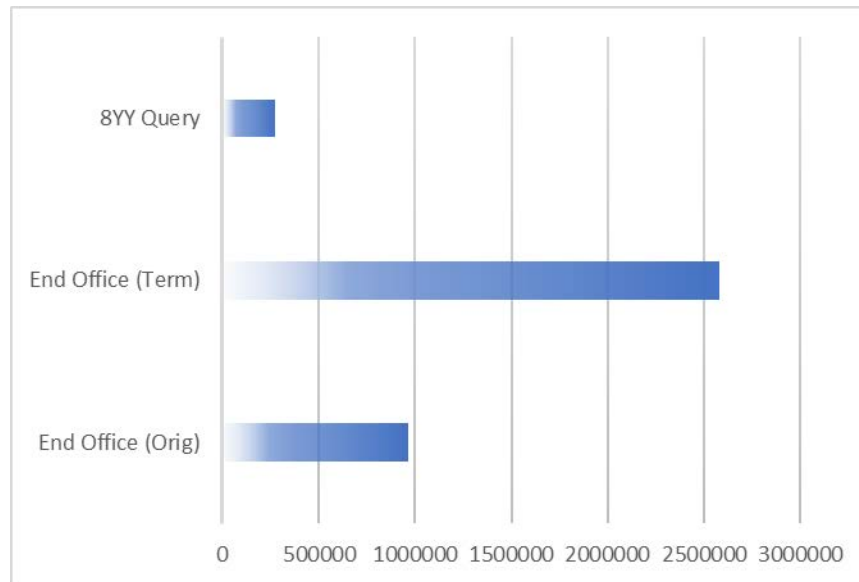
34. Figure 1 comprises a graphical representation of the line item detail included in the WTC invoice summary for usage billed in October 2009.⁴³ As is typical in the telecommunications industry, the data included within WTC's invoice to AT&T is clearly sufficient to separately identify usage and 8YY database query charges associated with each carrier, each jurisdiction and, where applicable, each direction. WTC's invoice to AT&T in October of 2009, for example, separately identifies roughly 1.7 million terminating interstate end office MOUs, 0.3 million originating interstate MOUs, and approximately 91,000 database query charges that are uniquely attributable to LEC-MI by its OCN.⁴⁴ Moreover, my review of AT&T's summary of the October 2009 invoice makes clear AT&T had flagged and re-rated interstate rate element number 70 pertaining to 8YY traffic. Specifically, AT&T determined it would not pay the \$0.009018 8YY database query charge billed by WTC for 8YY traffic switched by LEC-MI. Instead, AT&T had designated that rate element to be paid at a re-rated amount radically lower than the rate on WTC's invoices to AT&T.⁴⁵
35. Figure 2 below summarizes a portion of the WTC invoice to AT&T in March 2010.

⁴³ Access charge invoices are typically lagged by one month. October's invoice, therefore, would be expected to include data for usage that largely occurred in September depending upon the specific billing cycle.

⁴⁴ Ex. C, ATTProd_0000143.

⁴⁵ The file does not indicate why AT&T disagreed with the \$0.009018 per query charge, and there is no indication in AT&T's damages calculation that it has off-set this self-help discount from the damages it claims here in this case.

Figure 2: Westphalia Telephone Company Interstate End Office Minutes of Use and 8YY Query Detail For LEC-MI (February 2010)



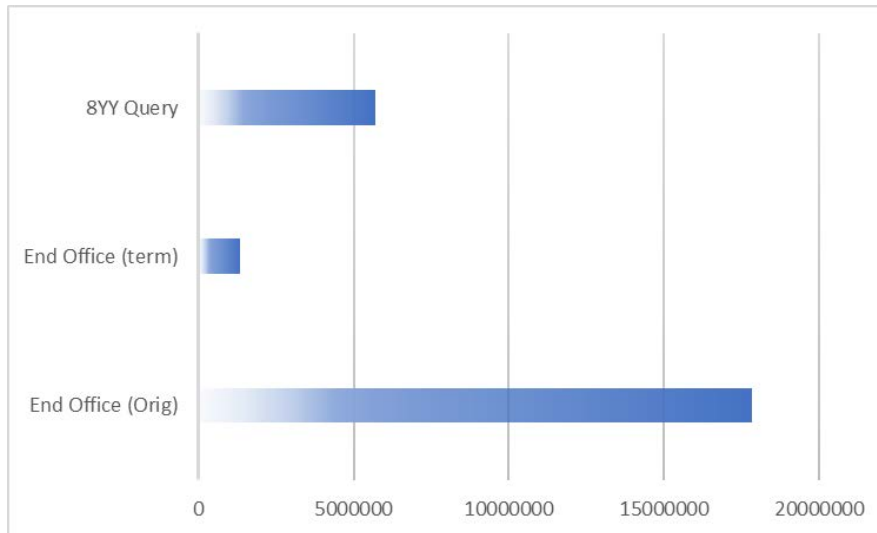
36. Based on my review of AT&T's summary⁴⁶ of the March 1, 2010 invoice it received from WTC (for February 2010 usage), AT&T could easily see that the invoice included approximately 2.5 million terminating interstate end office MOUs, roughly 0.9 million originating interstate MOUs, and about 275,000 8YY database queries attributable to LEC-MI. Moreover, as was the case with the previous invoice summary, the rate elements and quantities attributable to LEC-MI are distinctly separated from the charges applicable to other carriers (such as Westphalia) included on that same invoice. AT&T's document also shows it has enough detail to dispute and withhold payment toward the 8YY query charge of \$0.0090183 WTC had billed on 8YY traffic switched through LEC-MI.

37. This same level of detail – at a minimum – has been available within each of the AT&T invoice summary files I have been able to review to date. In fact, some of the invoice summary files AT&T produced identify rates, quantities, and rate element

⁴⁶ Ex. C, ATTProd_0000149.

descriptions down to the individual CLLI code (or end office level). For example, Figure 3 below summarizes the invoice detail AT&T has made available in this case for May 2012.

Figure 3: Westphalia Telephone Company Interstate End Office MOUs and 8YY Query Detail For May 2012 (LEC-MI, SFLDMIDICAO)⁴⁷



38. Figure 3 shows that WTC's invoice to AT&T made it easy to discern WTC had billed AT&T for roughly 17.9 million interstate originating MOUs, 1.3 million interstate terminating MOUs, and 5.7 million 8YY queries attributed to LEC-MI's Southfield switch (designated by the CLLI code: SFLDMIDICAO) for usage in May 2012. This level of invoice detail is common in the industry, and I would expect that level of detail in SECABS-formatted invoices. As was the case with the invoices for usage in September 2009 and May 2010, the detail provided for May 2012 allowed AT&T to dispute the specific database query charge WTC applied to 8YY traffic switched through LEC-MI's Southfield end office separately from all other billed rate elements in the invoice for May 2012.

⁴⁷ Ex. C, ATTProd_0000355.

39. My review of AT&T's invoice summaries makes clear that AT&T had ample information to clearly discern the extent to which Westphalia invoices included charges for 8YY-related traffic attributable to LEC-MI's switch at all times relevant to the Formal Complaint. Moreover, as I discuss below, AT&T employees appear to have invested significant resources examining and determining whether, or to what extent, AT&T would pay Westphalia's access charge invoices (including 8YY query charges that would indicate the presence, and growth, of 8YY related access traffic).

B. AT&T Routinely Employs Significant Resources to Analyze, Verify, and Either Pay or Dispute Access Invoices

40. AT&T employs significant resources (both technical and human) dedicated to analyzing access charge invoices, and routinely disputes (and refuses to pay) access charge invoices when it unilaterally deems any of the invoice elements (*e.g.*, rate elements, prices, mileage assessments, or routing scenarios) problematic or outside the company's expectations (*e.g.*, 8YY traffic aggregation may be involved). Moreover, AT&T routinely places LECs on "watch lists" so that switched access invoices from LECs on those lists receive additional scrutiny from AT&T. It appears that both LEC-MI and Westphalia were on AT&T's watch list for the time period in question.⁴⁸

41. It is common industry practice for IXC's – including AT&T – to routinely request CLEC's and their billing vendors to provide CDRs for analysis and invoice verification. It has been my experience that AT&T often disputes CLEC access invoices as a matter of practice until its analysis/verification is completed to AT&T's satisfaction. AT&T's Joint Declaration confirms AT&T employs dozens of employees and, separately, dozens of contractors dedicated to analyzing and verifying CLEC switched access invoices.⁴⁹ AT&T's Joint Declaration also explains that it

⁴⁸ See, *e.g.*, Ex. C, ATTPROD_0001342, which contains one such list within the "FLAGGED LIST" worksheet that includes LEC-MI (OCN 2550).

⁴⁹ Joint Declaration, p. 2, ¶ 2.

uses the Bill Receipt and Access Verification Operations (“BRAVO”) system to systematically audit and dispute CLEC access charge invoices:

Upon receiving those electronic invoices, AT&T uploaded the files into an AT&T-proprietary billing management system called Bill Receipt and Access Verification Operations (“BRAVO”). **The BRAVO system uses the data contained in the SECABS invoices to create an online format for viewing and auditing the invoices. The information contained in the SECABS invoices that is presented through the BRAVO system includes the volume of traffic (measured in minutes of use), the jurisdiction (interstate vs. interstate), the rates and rate elements and the dollar amount of the charges.** (emphasis added)⁵⁰

42. Given: (i) AT&T’s knowledge of (and long-standing opposition to) 8YY-aggregation-routing scenarios, (ii) the human and systems resources at AT&T’s disposal to scrutinize CLEC access charge invoices (both generally and already dedicated to Westphalia’s invoices), and (iii) the fact that AT&T had both LEC-MI and Westphalia on its watch list, it seems highly unlikely that AT&T would have overlooked stark traffic indicators suggesting a more detailed analysis of Westphalia’s invoices was warranted. This is particularly true given the fact that AT&T’s own documents demonstrate it was analyzing charges associated with LEC-MI’s end office charges and, more specifically, 8YY query charges as early as 2009,⁵¹ 2010,⁵² and 2011.⁵³ Further, AT&T began disputing charges for certain rate elements applied by Westphalia to traffic routed through LEC-MI’s end office switches (after an audit it conducted) in late 2011/early 2012.⁵⁴
43. As I discuss below, traffic trends that were (or should have been) obvious to AT&T should have allowed AT&T to easily identify the 8YY aggregated traffic routed through LEC-MI’s switch based on Westphalia’s invoices and AT&T’s own data.

⁵⁰ Joint Declaration, pp.3-4 (ATT-0000004 and ATT-0000005).

⁵¹ Ex. C, ATTProd_0000143.

⁵² Ex. C, ATTProd_0000147.

⁵³ Ex. C, ATTProd_0000195, ATTProd_0000535.

⁵⁴ Joint Declaration, pp.3-4 (ATT-0000004 and ATT-0000005).

These trends include: (1) traffic volumes to LEC-MI's switch increased dramatically over a short period of time and (2) the volume of 8YY database queries substantially increased over a short period of time.

44. The data I have reviewed shows that AT&T knew (or should have known) that 8YY aggregation likely explained the significant growth in end office charges, significant growth in query charges, and LEC-MI's shift toward predominantly originating long distance traffic that began in March of 2010, grew steadily through May 2012, and peaked in about May of 2013. Moreover, AT&T knew (or should have known) that it was being billed end office switching charges for 8YY originated traffic well before "mid 2013." At any time prior to mid-2013, AT&T could have followed the common industry (and AT&T) practice of requesting CDRs from Westphalia or LEC-MI as another method to determine the extent to which 8YY aggregation was the source of the changes.

45. In addition, AT&T could have compared its own 8YY-related CDRs for traffic that originated from LEC-MI's telephone numbers to test whether the message counts and MOUs identified in Westphalia's invoices for end office charges at LEC-MI's switch in Southfield, MI corresponded to AT&T's own CDRs for its retail 8YY traffic.⁵⁵ Any mismatch between 8YY calls tied to LEC-MI's telephone numbers and OCN in AT&T's own data versus the number of 8YY calls for which Westphalia invoiced AT&T would provide a clear signal to AT&T—at any point in time—that it was being billed end office charges for 8YY traffic. An analysis of the CDRs AT&T could have requested would produce the same results with very little effort.⁵⁶ And insofar as 8YY aggregation was involved, a review of those same CDRs presumably

⁵⁵ I understand AT&T is required to retain CDRs pertaining to its 8YY toll traffic for at least 18 months pursuant to 47 CFR 42.6.

⁵⁶ I have not yet had the opportunity to review any documents showing the results of AT&T's comparison to its own CDRs and/or its requests and analyses of CDRs from LEC-MI or Westphalia, which I understand that LEC-MI has requested through interrogatories served concurrently with its Answer to AT&T's Formal Complaint.

would have also revealed to AT&T that it was receiving a substantial amount of 8YY calls that originated in a whole host of exchanges around the country that were not within the exchanges in which LEC-MI had numbering authority. As such, AT&T would have quickly known that any such end office charges Westphalia attributed to LEC-MI's OCN would have been ripe for audit and further inquiry. I have not yet had the opportunity to review documents that show the results of AT&T's comparison to its own CDRs and/or its requests and analyses of CDRs from LEC-MI or Westphalia, which I understand that LEC-MI has requested through interrogatories served concurrently with its Answer to AT&T's Formal Complaint.

1. AT&T Was (or Should Have Been) Aware of the Growth In Traffic To LEC-MI's Switch

46. It has been my experience that IXC's like AT&T commonly consider growth in access minutes, whether on a monthly, quarterly, or annual basis, as a reason to more thoroughly analyze access invoices they have been assessed. It has also been my experience that IXC's, including AT&T, typically dispute (and refuse to pay) access invoices while conducting their investigations. I have reviewed certain AT&T records comprising invoice summaries along with certain other documents, including documents that appear to have been created by the access billing vendor employed by Westphalia during the dispute period.⁵⁷ Notably, AT&T's own documentation shows that access billing from Westphalia doubled between the middle of 2010 and 2011, and that charges increased four-fold between the beginning of 2010 and September 2011.⁵⁸ Indeed, AT&T acknowledges that traffic volume increased significantly at LEC-MI's Southfield switch beginning in 2010:

Beginning in or around 2010, the volume of traffic billed by the Defendants to AT&T began to increase significantly. For example,

⁵⁷ As previously noted, I have not yet had the opportunity to review copies of the WTC invoices to AT&T and may update my conclusions and opinions to the extent those data are provided by AT&T.

⁵⁸ See **Exhibit D**, Direct Testimony of John W. Habiak on behalf of AT&T in MPSC Case No. U-17619, p.10 and Exhibit JH-2.

according to AT&T's records, the volume of traffic to and from AT&T through LEC-MI's switch in Southfield in November, 2009 was about 999,000 minutes of use. By May, 2010, it increased to 1.98 million minutes; in May, 2011, it increased to 7.46 million minutes, in May, 2012, it increased to 20.13 million minutes, and in May, 2013, to 24.91 million minutes.⁵⁹

47. As shown in Figure 4 below, AT&T's own data demonstrates billed access charges from LEC-MI's Southfield Michigan end office roughly doubled in the six-month period from November 2009 to May 2010. Likewise, traffic increased nearly four-fold in the twelve-month period beginning from May 2010 to May 2011, and continued to increase steadily thereafter. I have not yet reviewed the basis for AT&T's presentation to the Michigan Public Service Commission and FCC in this regard, but AT&T appears to have relied on these data for legal and regulatory purposes and in the normal course of its business operations. It has been my experience that the growth shown in Figure 4 typically draws substantial scrutiny by IXC's like AT&T.⁶⁰ In fact, the FCC's Access Stimulation rules indicate that a 100% increase in access charge volume over one year's time is indicative of "access stimulation,"⁶¹ which I understand AT&T has alleged with regard to the traffic subject to the instant dispute and the dispute AT&T had with Westphalia and GLC. Indeed, AT&T was a driving force behind the FCC adopting a traffic growth trigger

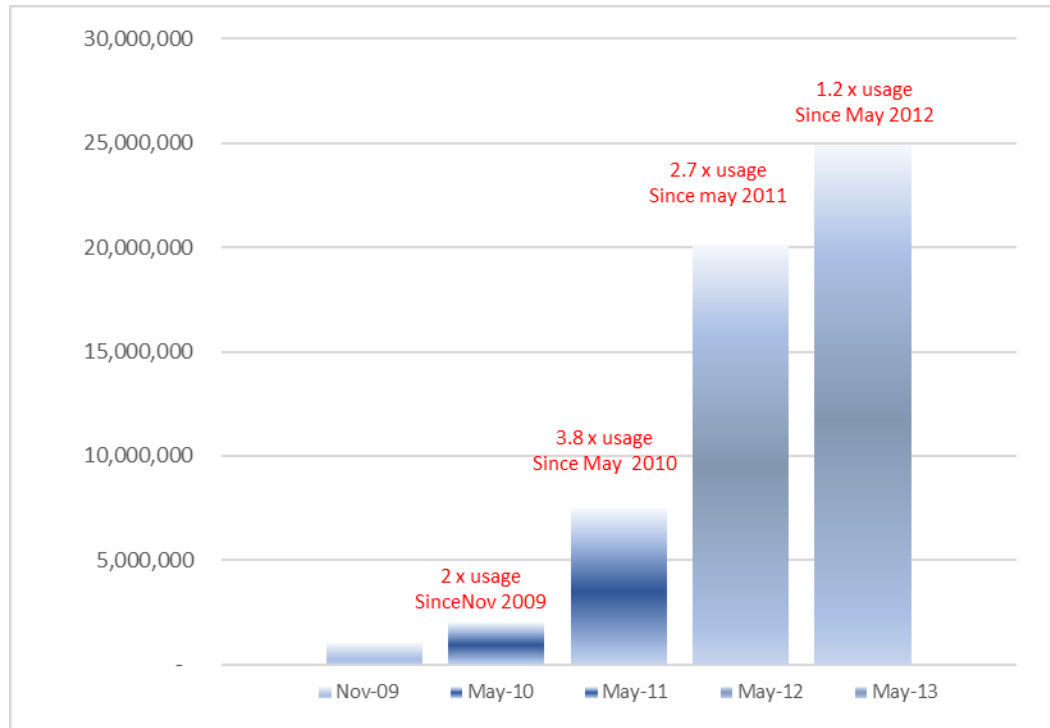
⁵⁹ See Ex. D, Habiak Exhibit JH-5 in MPSC Case No. U-17619, p. 4. Mr. Habiak's Exhibit comprises the April 14, 2014 Letter from Michael Hunseder (Counsel for AT&T) to Rosemary McErney Chief, Market Disputes Resolution Division, Enforcement Bureau, FCC.

⁶⁰ There are discrepancies between the data included in the AT&T analysis and information presented to both the Michigan Commission and the FCC when visually compared to the data presented in Figure 3 above, which are also based on AT&T's data. For example, Figure 3 suggests usage at LEC-MI's end office switch in Southfield was roughly 17 to 18 million minutes in May of 2012 whereas the materials presented to both the FCC and the Michigan Commission suggest more than 20 million minutes traversed the Southfield switch at that time. I intend to compare the underlying data when they become available.

⁶¹ See 47 C.F.R. § 61.3(bbb)(1) ("A...Competitive Local Exchange Carrier engages in access stimulation when it satisfies the following two conditions: (i) Has an access revenue sharing agreement...and (ii) Has either an interstate terminating-to-originating traffic ratio of at least 3:1 in a calendar month, or has had more than a 100 percent growth in interstate originating and/or terminating switched access minutes of use in a month compared to the same month in the preceding year.")

in the access stimulation rules,⁶² and has explained that IXC's like AT&T spend significant resources analyzing traffic patterns for the purposes of identifying CLEC's engaged in access stimulation.⁶³

Figure 4: LEC-MI Southfield Switch Interstate Minutes of Use⁶⁴



⁶² See, e.g., Comments of AT&T, WC Docket 10-90, April 1, 2011, p. 19 (“...while a revenue sharing arrangement is a common badge of traffic stimulation activity, and can serve as one appropriate trigger, there are other common indicators of traffic pumping, including very large volumes of traffic relative to the number of switched access lines to which that traffic is terminated.”) See also, Reply Comments of AT&T, WC Docket No. 10-90, April 18, 2011, pp. 8-9 (“While AT&T does not propose to eliminate the Commission’s proposed [revenue sharing arrangement] trigger, it agrees with commenters such as Leap that ‘there is no reason to rely on only one trigger’ and also joins with the many commenters that advocate additional triggers, including those based on minutes of use per line per month, growth in terminating traffic, and on the ratio of originating and terminating minutes.”)

⁶³ See, e.g., Reply Comments of AT&T, WC Docket No. 10-90, April 18, 2011, pp. 9-10 (“In identifying traffic pumping LECs over the last several years, IXC’s have often examined data such as the number of minutes per line or the ratio of originating and terminating traffic...”)

⁶⁴ See Ex. D, Habiak Exhibit JH-5, MPSC Case No. U-17619.

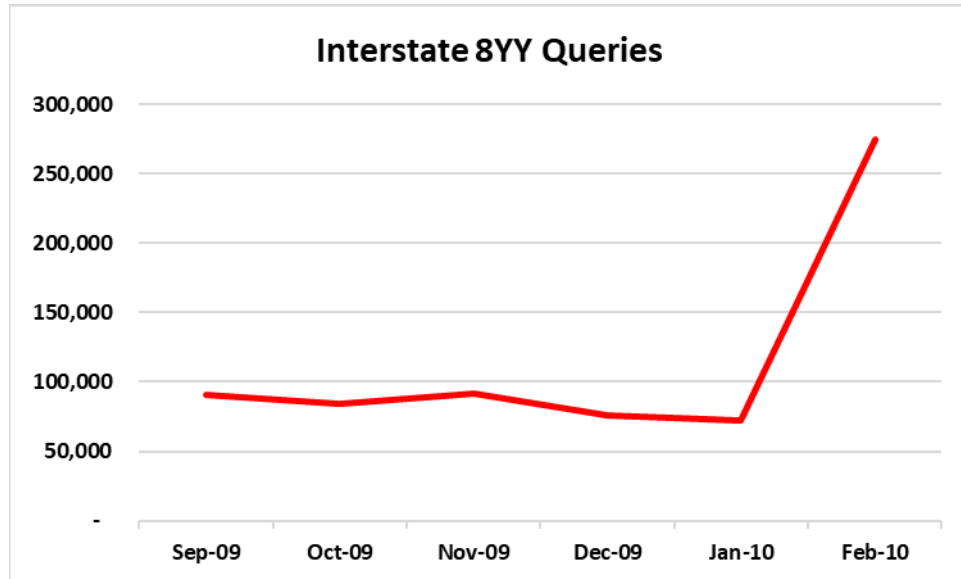
48. Based on the doubling of usage at the LEC-MI Southfield, MI switch between November 2009 and May 2010 alone, AT&T should have conducted a thorough investigation and should have known the extent of the 8YY traffic and 8YY aggregation flowing through LEC-MI's end office. I have not seen any indication that AT&T requested CDRs from Westphalia at that time, nor have I seen an analysis conducted by AT&T at the time this substantial growth occurred which was designed to ascertain the nature and origin of the growth in traffic as is typically performed by IXCs (who routinely analyze and dispute invoices at the rate element level). I will review any such documents if and when they become available.

2. AT&T Was (or Should Have Been) Aware of the Growth In 8YY Database Queries

49. Figure 5 below shows the rapid growth in 8YY query volume that occurred between September 2009 and February 2010. Figure 5 also shows that billed interstate 8YY query counts grew from approximately 90,000 in September 2009 to roughly 275,000 in February 2010.⁶⁵ That is, 8YY queries nearly tripled over that short time period (and, as shown in Figure 4 above, billed minutes of use attributable to LEC-MI's end office in Southfield doubled during that same period). Either of these trends alone was enough to warrant investigation as to the source of growth in early 2010, but when combined, I find it extremely difficult to understand why AT&T would have ignored these patterns. It is clear to me, based on these data, AT&T could have (and should have) fully understood and explored the possibility that 8YY aggregation related charges were accruing on its invoices from Westphalia no later than May 2010.

⁶⁵ See Ex. C, ATTProd_0000143, ATTProd_0000144, ATTProd_0000145, ATTProd_0000147, ATTProd_0000148, and ATTProd_0000149. Notably, according to the document properties listed in the native form of these documents (*i.e.*, Microsoft Excel) each of these documents appears to have been created, or last saved by Robert W. Hayes, who I understand from email I have reviewed in this case, was an AT&T Lead Financial Analyst and appears to have been heavily involved in reviewing and paying/disputing Westphalia's invoices.

**Figure 5: LEC-MI 8YY Database Query Volume
(September 2009-February 2010)**



50. Moreover, a comparison of data in Figure 1 (data from September 2009) to the data in Figure 3 (data from May 2012) shows a dramatic shift in traffic that should have been investigated by AT&T. Figure 1 shows a ratio of *terminating-to-originating* MOUs as of September 2009 of approximately 5:1. The data in Figure 3 shows that, by May 2012, the ratio had been turned on its head and more heavily weighted towards originating traffic – *i.e.*, an *originating-to-terminating* ratio of about 13:1. Likewise, in September 2009, the 8YY query count was approximately 90,000, compared to roughly 5.6 million in May 2012 – an increase of more than 6,100%. In fact, in May 2012, 8YY database queries out-numbered terminating MOUs by a ratio of roughly 4:1. It is simply not credible for AT&T to claim that it was unaware of these obvious trends until mid-2013, but if AT&T's claim is true, then it indicates that AT&T was willfully ignorant on the topic and chose not to investigate an issue that AT&T had been actively monitoring and disputing for over a decade.

PUBLIC VERSION

Declaration of
Michael Starkey
Proceeding Number 19-222
Bureau ID Number EB-19-MD-007
September 25, 2019

SIGNATURE

51. This concludes my Declaration.

I declare under penalty of perjury that the opinions expressed herein are my own and that all statements and representations included herein are true and correct to the best of my knowledge, information and belief as of the date I complete this Declaration.

Executed on this 25th day of September 2019, in St. Louis County, Missouri.



Michael Starkey

September 25, 2019

Starkey Declaration Exhibit A

PUBLIC VERSION

Michael Starkey

President

Founding Partner

QSI Consulting, Inc.

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Biography

Mr. Starkey currently serves as the President and Founding Partner of QSI Consulting, Inc. ("QSI"). QSI is a management consulting firm concentrating primarily on regulated markets including the telecommunications industry. QSI assists its clients with regulatory policy, business strategy, financial and econometric analysis and inter-carrier issues including compensation. Prior to founding QSI Mr. Starkey served as the Senior Vice President of Telecommunications Services at Competitive Strategies Group, Ltd. in Chicago, Illinois.

Mr. Starkey's consulting career began in 1996 shortly before the passage of the Telecommunications Act of 1996. Since that time, Mr. Starkey has advised some of the world's largest communications stakeholders (e.g., AT&T, Charter, Comcast, Google, SiriusXM Radio, T-Mobile, the United States General Services Administration, the U.S. Department of Defense) on a broad spectrum of issues including the most effective manner by which to interconnect competing networks. Mr. Starkey's experience spans the landscape of competitive communications including interconnection agreement negotiations, mediation, arbitration, and strategies aimed at maximizing new technology. Mr. Starkey's experience is often called upon as an expert witness. Mr. Starkey has since 1991 provided testimony in greater than 150 proceedings before approximately 40 state and foreign utility regulatory authorities, the FCC, the U.S. Patent Office, as well as legislatures and courts of varying jurisdiction.

Mr. Starkey's expertise with competitive communications issues is rooted not only in his consulting experience, but also in his previous employment. Mr. Starkey has served as an executive and economist for the Missouri, Illinois and Maryland public utility commissions, including his most recent position as Director of the Maryland Commission's Telecommunications Division (and as the Senior Policy Analyst for the Illinois Commission's Office of Policy and Planning and Senior Economist with the Missouri Public Service Commission).

Educational Background

Bachelor of Science, Economics, International Marketing
Missouri State University (f/k/a Southwest Missouri State University)
Cum Laude Honor Graduate

Graduate Coursework, Finance
Lincoln University

Numerous communications industry training courses



PUBLIC VERSION

Prior Professional Experience

Manchester Services, Inc.

2005-2017

Chief Operating Officer

Compliance Officer

Competitive Strategies Group

1996 – 1999

Senior Vice President

Managing Partner, Telecommunications

Maryland Public Service Commission

1994-1995

Director

Telecommunications Division

Illinois Commerce Commission

1993 – 1994

Senior Policy Analyst

Office of Policy and Planning

Missouri Public Service Commission

1991-1993

Senior Economist, Utility Operations

Division – Telecommunications

Professional Activities

Board Member – Secure Telephone Identity Governance Authority (“STI-GA”) tasked by the North American Numbering Council (“NANC”) and the Federal Communications Commission to govern the policies and security around issuance and use of STI certificates via the *Signature-based Handling of Asserted Information using ToKENs* (“SHAKEN/STIR”) framework. Chair of the Corporate Structure Task Force and a member of the Revenue Recoupment Task Force.

Former Co-Administrator of the Missouri Universal Service Fund on behalf of the Missouri Universal Service Board.

Facilitator, *C³ Coalition* (Competitive Carrier Coalition - Ameritech Region). Facilitate industry organization representing 10-15 competitive carriers seeking to share information and “best practices” with respect to obtaining effective interconnection, UNEs and resold services from SBC/Ameritech.

Former member of the Missouri Public Service Commission’s Task Force on FCC Docket Nos. 91-141 and 91-213 regarding expanded interconnection, collocation, and access transport restructure

Former member of the Missouri, Oklahoma, Kansas, Texas, and Arkansas five state Southwestern Bell Open Network Architecture (ONA) Oversight Conference

Former delegate to the Illinois, Michigan, Indiana, Ohio, and Wisconsin Ameritech Regional Regulatory Conference (ARRC) charged with the responsibility of analyzing Ameritech’s “Customers First” local exchange competitive framework for formulation of recommendations to the FCC and the U.S. Department of Justice

Former Co-Chairman of the Maryland Local Number Portability Industry Consortium responsible for developing and implementing a permanent database number portability solution

Former member of the Illinois Local Number Portability Industry Consortium responsible for developing and implementing a permanent database number portability solution

PUBLIC VERSION

Expert Testimony – Profile

The information below is Mr. Starkey's best effort to identify all proceedings wherein he has provided pre-filed written testimony, an expert report, live testimony or participated in some other meaningful way (e.g., deposition).

District Court, City and County of Denver, State of Colorado

Case No. 2018CV31548

Coresite Denver, LLC v. DGEB Management, LLC, DGEB MMR, LLC and Nancy Casados
On behalf of DGEB Management, LLC, DGEB MMR, LLC and Nancy Casados

District Court, Travis County Texas, 216th Judicial District

Cause No. D-1-GN-16-000739

Sirius XM Radio Inc. vs. Glenn Hegar, Comptroller of Public Accounts of the State of Texas, and Ken Paxton, Attorney General of the State of Texas
On behalf of Sirius XM Radio

US District Court, Middle District of Florida, Orlando Division

Case No. 6:17-cv-236-PGB-TBS

Local Access, LLC v. Peerless Network, Inc.
On behalf of Peerless Network, LLC

Before the Hawaii Public Utilities Commission

Docket No. 2017-0363

In the Matter of the Application of Young Brothers Limited for Approval of a General Rate Increase and Certain Tariff Changes
On behalf of Young Brothers Limited

Judicial Arbitration and Mediation Services ("JAMS")

Case No. 1220055663

HRRP Garland, LLC vs. Garland Connect, LLC
On behalf of Garland Connect, LLC

American Arbitration Association

Case No. 01-015-0003-0387

InnerCity FiberNet, LLC v. Zayo Group, LLC
On behalf of Zayo Group, LLC

US Bankruptcy Court, District of Nevada

Case No. 15-11680-ABL

Audiocom LLC (Qwest Communications Company LLC) v. Megamedia, LLC, et al.
On behalf of Defendants, Megamedia, LLC et al.

Tax Court of New Jersey

Docket No. 012215-2009

Verizon New Jersey Inc. v. Hopewell Borough
On behalf of Hopewell Borough

US District Court, Eastern District of Michigan

Case No. 2:15-cv-14248-MFL-MKM

Charter Township of West Bloomfield v. Comcast of Colorado/Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC
On behalf of Comcast

281st Judicial District Court of Harris County, Texas

PUBLIC VERSION

Cause No. 201666544

Layer2 Communications, Inc. v. Packers Plus Energy Services, Inc.

On behalf of Layer2 Communications, Inc.

Before the Federal Communications Commission

File No. EB-16-MD-001

AT&T Corp. v. Great Lakes Communication Corp.

On behalf of Great Lakes Communication Corp.

Before the Utah State Tax Commission

Appeal No. 12-2069

Comcast Corporation & Subsidiaries v. Utah State Tax Commission,

On behalf of Comcast Corporation

US District Court, Northern District of Illinois, Eastern Division

Case No. 16-cv-06976

Inteliquent, Inc. v. Free Conference Corporation et. al.

On behalf of Free Conference Corporation

US District Court, Southern District of New York

Civil Action No. 15-CV-870(VM)(DF)

Peerless Network, Inc. et. al. v. AT&T Corporation

On behalf of Peerless Network, Inc.

Chancery Court of Davidson County, Tennessee, 20th Judicial District (Part 1, Nashville)

Case No. 12-1749-I

Comcast Holdings Corporation, et. al, v. Richard Roberts, Commissioner of Revenue, State of Tennessee

On behalf of Comcast, et. al.

Circuit Court, Fifth Judicial District, State of South Dakota (County of Brown)

Case No. 06CIV15-000134

James Valley Cooperative Telephone et al v. South Dakota Network, LLC

On behalf of James Valley Cooperative Telephone et al.

US District Court, Northern District of Illinois, Eastern Division

Case No. 14-cv-7417

Peerless Network, Inc. v. MCI Communications Services (Verizon et al)

On behalf of Peerless Network, Inc.

US District Court, Northern District of Texas, Dallas Division

Consolidated Action 3:15-CV-0404-K

AT&T (various affiliates) vs. Dollar Phone Access, Inc.

On behalf of DollarPhone Access, Inc.

US District Court, Southern District of Iowa, Central Division

Case No. 4:07-cv-00078-JEG-RAW

In Re Tier 1 JEG Telecommunications Cases, Qwest Communications Corporation vs. Various Parties

On behalf of Free Conferencing Corporation

US District Court, District of South Dakota, Northern Division

Case No. 6:14-cv-1018

Northern Valley Communications, LLC vs. AT&T Corp.

On behalf of Northern Valley Communications, LLC

PUBLIC VERSION

Administrative Hearings Commission, State of Missouri
Case No. 14-0055 RI

Vodafone Holdings, Inc. Protest of Denial of Refund Claim
On behalf of the Missouri Department of Revenue

US District Court, Middle District of Florida, Orlando Division
Civil Action 14-cv-00307

Blitz Telecom v. Peerless Network, Inc.
On behalf of Peerless Network, Inc.

United States Bankruptcy Court, Western District of Texas, Austin Division
Case No. 13-10570-TMD

UPH Holdings, Inc. et al v. Sprint Nextel Corporation
On behalf of the Liquidating Trustee, UPH Holdings, Inc. et al

Superior Court of the State of California for the County of Los Angeles
Case No. BC 513029

Garland Connect, LLC v. Pacific Bell Telephone Company, d/b/a AT&T California
On behalf of Garland Connect, LLC

US District Court for the Northern District of Iowa, Western Division
Case No. 5:13-cv-4117

Great Lakes Communication Corp. v. AT&T Corp.
On behalf of Great Lakes Communication Corp.

US District Court for the District of Minnesota
Case No. 0:10-cv-00490 MJD-SER

Qwest Communications Company, LLC v. Free Conferencing Corp., Audiocom, LLC; Global Conference Partners; Ripple Communications, Inc.; Basement Ventures, LLC; and Vast Communications, LLC
On behalf of Defendants

US District Court for the Northern District of California
Case No. 4:13 cv 02131 DMR

Layer2 Communications, Inc. v. Flexera Software, LLC
On behalf of Layer 2 Communications, Inc.

U.S. District Court for the Southern District of Iowa, Central Division
Case Nos. 4:07-cv-0043, 0078-0058 cons., 00194, 4:08-cv-00005, 5:07-cv-04095-104017 cons.

Qwest Communications Company v. Superior Telephone Cooperative, Et al.
On behalf of Great Lakes Communication Corp. and Superior Telephone Cooperative

Before the Public Service Commission, State of Georgia
Docket 15418

Capital Communication Consultants, Inc. v. BellSouth Telecommunications, LLC d/b/a AT&T Georgia
On behalf of Capital Communication Consultants, Inc.

District Court of the Fourth Judicial District of the State of Idaho, County of Ada
Case No. CV OC 1103406

Cable One, Inc. v. Idaho State Tax Commission
On behalf of the Idaho State Tax Commission

Before the Minnesota Public Utilities Commission
Docket No. MPUC P-5096, 5542/C-09-265

PUBLIC VERSION

In the Matter of the Complaint by Qwest Communications Company, LLC against Tekstar Communications, Inc. regarding Traffic Pumping
On behalf of Tekstar Communications, Inc.

Before the Florida Public Service Commission

Docket No. 110056-TP

In re: Complaint against Verizon Florida, LLC and MCI Communications Services, Inc., d/b/a Verizon Business Services for failure to pay intrastate access charges for the origination and termination of intrastate interexchange telecommunications service, by Bright House Networks Information Services (Florida), LLC.

On behalf of Bright House Information Services (Florida) LLC

Before the Pennsylvania Public Utility Commission

Docket Nos. C-2010-2216205, et. al.

Armstrong Telecommunications, Inc. v Verizon Pennsylvania Inc., et. al.

On behalf of Armstrong Telecommunications, Inc.

Before the Ontario Energy Board

EB-2011-0120

In the Matter of an application by Canadian Distributed Antenna Systems Coalition for certain orders under the Ontario Energy Board Act, 1998

On behalf of Toronto Hydro-Electric System Limited

Federal Communications Commission

File No. EB-11-MD-006

In the Matter of Sprint Communications Company, L.P., v. Tekstar Communications, Inc.

On behalf of Tekstar Communications, Inc.

Before the Michigan Public Service Commission

Case No. U-16467

In the matter of the petition and application of TDS Metrocom, LLC and McLeodUSA Telecommunications Services, L.L.C., d/b/a Paetec Business Services against AT&T Michigan to establish or alter a network element rate

On behalf of McLeodUSA and TDS Metrocom

US District Court, Northern District of Texas, Fort Worth Division

Case No. 4:09-cv-755-A

Transcom Enhanced Services, Inc. v. Qwest Corporation

On behalf of Transcom Enhanced Services, Inc.

United States Patent and Trademark Office

Inter Partes Reexamination of U.S. Patent No. 7,123,708

On behalf of Peerless Network, LLC

Before the Illinois Commerce Commission

Docket No. 09-0315

Investigation into whether Intrastate Access Charges of McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services are Just and Reasonable

On behalf of PAETEC Business Services

Before the Public Service Commission of Wisconsin

Docket No. 6270-TI-221

PUBLIC VERSION

*TDS Metrocom LLC and McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services
Petition to Determine Rates and Costs for Unbundled Network Elements or Unbundled Service Elements of
Wisconsin Bell, Inc. d/b/a AT&T Wisconsin*

On behalf of TDS Metrocom LLC and McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC
Business Services

United States District Court for the Northern District of Illinois

Case No. 1: 08-cv-03402

Neutral Tandem, Inc. v. Peerless Network, LLC

On behalf of Peerless Network, LLC

Commonwealth of Massachusetts Appellate Tax Board

Docket No. 293831

AT&T Corp. vs. Commissioner of Revenue

On behalf of the Massachusetts Department of Revenue

Oregon Tax Court, Regular Division, Corporation Excise Tax

Case No. 4814

AT&T Corp. and Includible Subsidiaries v. Department of Revenue, State of Oregon

On behalf of the Oregon Department of Revenue

Before the Public Utilities Commission of the State of Colorado

Docket No. 07A-211T

*In the Matter of Qwest Corporation's Application, Pursuant to Decision Nos. C06-1280 and C07-0423,
Requesting that the Commission Consider Testimony and Evidence to Set Costing and Pricing of Certain
Network Elements Qwest is Required to Provide Pursuant to 47 U.S.C. 55 251(b) and (c).*

On behalf of CBeyond Communications, Covad Communications Company, Integra Telecom, Inc.,

PAETEC Business Services and XO Communications Services, Inc.

In the Circuit Court of St. Louis County, Missouri

Cause No. 01 CC-004454

St. Louis County, Missouri vs. AT&T Wireless Services, Inc., et al

On behalf of T-Mobile USA, Inc.

Before the Federal Communications Commission

Enforcement Bureau Docket EB-09-MD-008

Saturn Telecommunications Services, Inc. vs. AT&T

On behalf of Saturn Telecommunications Services, Inc.

Before the New Jersey Board of Public Utilities

Docket No. TX08090830

*In the Matter of the Board's Investigation and Review of Local Exchange Carrier Intrastate Exchange
Access Rates*

On behalf of PAETEC Communications, Inc., and US LEC of Pennsylvania, LLC

In the Circuit Court for the 7th Judicial Circuit of Illinois

Docket No. 2004TX00001-6

AT&T Corporation and Affiliates vs. The Illinois Department of Revenue

On behalf of the Illinois Department of Revenue

Before the Federal Communications Commission

CC Docket No. 01-92

In the Matter of Developing a Unified Intercarrier Compensation Regime

On behalf of Nuvox Communications, Inc., XO Communications, PAETEC Communications

PUBLIC VERSION

Public Service Commission of the District of Columbia

Formal Case No. 1040

In the Matter of the Investigation into Verizon Washington, D.C. Inc.'s Universal Emergency Number 911 Services Rates in the District of Columbia.

Advisor to the Public Service Commission of the District of Columbia

Before the Public Service Commission of Maryland

Case No. 9123

In the Matter of the Commission's Inquiry Into Verizon Maryland Inc.'s Provision of Local Exchange Telephone Service Over Fiber Optic Facilities

On behalf of the Maryland Office of People's Counsel

Before the Minnesota Public Utilities Commission

Docket No. P-421/AM-06-713

In the Matter of Qwest Corporation's Application for Commission Review of TELRIC Rates Pursuant to 47 U.S.C. §251

On behalf of Integra Telecom of Minnesota, Inc.; McLeodUSA Telecommunications Services, Inc.; POPP.com, Inc.; DIECA Communications, Inc. d/b/a Covad Communications Company; TDS Metrocom; and XO Communications of Minnesota, Inc.

Before the Maine Public Utilities Commission

Docket No. 2007-67

Verizon New England Inc., Northern New England Telephone Operations Inc., Enhanced Communications of Northern New England Inc., Northland Telephone Company of Maine, Inc., Sidney Telephone Company, Standish Telephone Company, China Telephone Company, Maine Telephone Company, and Community Service Telephone Co., Re: Joint Application for Approvals Related to Verizon's Transfer of Property and Customer Relations to Company to be Merged with and into FairPoint Communications, Inc.

Advisor to the Maine Public Utilities Commission

In the United States District Court for the Northern District of Illinois, Eastern Division

Case No. 06 C 3431

Illinois Bell Telephone Company, Inc., Plaintiff, v. Global NAPs Illinois Inc., et al., Defendants

On behalf of Global NAPs Illinois, Inc. et al.

Before the Minnesota Public Utilities Commission

MPUC Docket #P-421/CI-05-1996

In the Matter of a Potential Proceeding to Investigate the Wholesale Rate Charged by Qwest

On behalf of Eschelon Telecom, Inc., Integra Telecom of Minnesota, Inc. McLeodUSA Telecommunications Services, Inc., POPP.com, Inc., Covad Communications Company, TDS Metrocom and XO Communications of Minnesota, Inc.

Before the Public Utilities Commission of the State of Hawaii

Docket No. 2006-0450

In the Matter of Pacific Lightnet, Inc., Complainant, vs. Hawaiian Telcom, Inc., Respondent

On behalf of Pacific Lightnet, Inc.

Before the Public Utility Commission of Texas

SOAH Docket No. 473-07-1365

PUC Docket No. 33545

Application of McLeodUSA Telecommunications Services, Inc. for Approval of Intrastate Switched Access Rates Pursuant to PURA Section 52.155 and PUC Subst. R. 26.223

On behalf of McLeodUSA Telecommunications Services, Inc.

PUBLIC VERSION

Before the Public Utility Commission of Oregon

Docket No. ARB 775

In the Matter of the Petition of Eschelon Telecom of Oregon, Inc. For Arbitration with Qwest Corporation, Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

On behalf of Eschelon Telecom, Inc.

Before the Public Utilities Commission of Colorado

Docket No. 06B-497T

In the Matter of the Petition of Qwest Corporation for Arbitration with Eschelon Telecom, Inc. Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

On behalf of Eschelon Telecom, Inc.

Before the Washington Utilities and Transportation Commission

Docket No. UT-063061

In the Matter of the Petition of Qwest Corporation for Arbitration with Eschelon Telecom, Inc. Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

On behalf of Eschelon Telecom, Inc.

Before the Arizona Corporation Commission

Docket No. T-03406A-06-0572

Docket No. T-01051B-06-0572

In the Matter of the Petition of Eschelon Telecom of Arizona, Inc. For Arbitration with Qwest Corporation, Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

On behalf of Eschelon Telecom, Inc.

Before the Office of Administrative Hearings, For the Minnesota Public Utilities Commission

PUC Docket No. P-5340, 421/IC-06-768

OAH Docket No. 3-2500-17369-2

In the Matter of the Petition of Eschelon Telecom, Inc. For Arbitration with Qwest Corporation, Pursuant to 47 U.S.C. Section 252 of the Federal Telecommunications Act of 1996

On behalf of Eschelon Telecom, Inc.

Before the Public Utilities Commission of Colorado

Docket No. 06F-124T

In the Matter of: McLeodUSA Telecommunications Services, Inc., Complainant, v. Qwest Corporation, Respondent

On behalf of McLeodUSA Telecommunications Services, Inc.

American Arbitration Association

Case No. 74 494 J 00703 06 BEAH

Saturn Telecommunications Services, Inc. v. Covad Communications Company

On behalf of Covad Communications Company

Before the Arizona Corporation Commission

Docket No. T-03267A-06-0105

Docket No. T-01051B-06-0105

In the Matter of: McLeodUSA Telecommunications Services, Inc., Complainant, v. Qwest Corporation, Respondent

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Washington Utilities and Transportation Commission

Docket No. UT-063013

McLeodUSA Telecommunications Services, Inc., Petitioner, v. Qwest Corporation, Respondent

On behalf of McLeodUSA Telecommunications Services, Inc.

PUBLIC VERSION

Before the Public Service Commission of Utah**Docket No. 06-2249-01**

In the Matter of the Complaint of McLeodUSA Telecommunications Services, Inc., against Qwest Corporation for Enforcement of Commission-Approved Interconnection Agreement

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Iowa Utilities Board**Docket No. FCU-06-20**

McLeodUSA Telecommunications, Inc., v. Qwest Communications

On behalf of McLeodUSA Telecommunications Services, Inc.

American Arbitration Association**Case No. 77 181 0289 MAVI**

T-Mobile USA, Inc., Claimant, vs. Qwest Corporation (f/k/a US West Communications, Inc.), Respondent

On behalf of T-Mobile USA, Inc.

In the United States District Court for the Eastern District of North Carolina, Western Division**Case No. 5:04-CV-96-BO(1)**

Global NAPs North Carolina, Inc., Global NAPs Georgia, Inc., and Global NAPs South, Inc., Plaintiffs, v. BellSouthTelecommunications, Inc., Defendant

On behalf of Global NAPs (collectively)

Before the Illinois Commerce Commission**Docket No. 05-0575**

Illinois Bell Telephone Company Compliance with Requirements of 13.505.1 of the Public Utilities Act (Payphone Rates)

On behalf of The Illinois Public Telecommunications Association

Before the Public Utilities Commission of the State of California**Application 05-07-024**

Application of Pacific Bell Telephone Company, d/b/a SBC California for Generic Proceeding to Implement Changes in Federal Unbundling Rules Under Sections 251 and 252 of the Telecommunications Act of 1996

On behalf of MCIMetro Access Transmission Services, LLC, Covad Communications Company and Arrival Communications, Inc.

Before the Public Service Commission of Wisconsin**Docket No. 6720-TI-108**

Investigation of the Access Line Rates of Wisconsin Bell, Inc., d/b/a SBC Wisconsin, that Apply to Private Payphone Providers

On behalf of The Wisconsin Pay Telephone Association

Before the Public Utilities Commission of the State of California**Docket No. A.05-05-027**

Application by Pacific Bell Telephone Company d/b/a SBC California (U 1001 C) for Arbitration of an Interconnection Agreement with MCIMetro Access Transmission Services LLC (U 5253 C) Pursuant to Section 252(b) of the Telecommunications Act of 1996.

On behalf of MCIMetro Access Transmission Services, LLC

Before the Michigan Public Service Commission**Case No. U-14447**

In the matter, on the Commission's own motion to commence a collaborative proceeding to monitor and facilitate implementation of Accessible Letters issued by SBC Michigan and Verizon

PUBLIC VERSION

On behalf of Covad Communications Company.

Before the Public Utilities Commission of Ohio

Case No. 05-887-TP-UNC

In the matter of the Establishment of Terms and Conditions of an Interconnection Agreement Amendment Pursuant To The Federal Communications Commission's Triennial Review Order and Its Order on Remand.

On behalf of MCIMetro Access Transmission Services, LLC

Before the Public Service Commission of Wisconsin

Docket No. 05-MA-138

Petition of MCIMetro Access Transmission Services, LLC and MCI WorldCom Communications, Inc. for Arbitration of Interconnection Terms and Conditions and Related Arrangements with Wisconsin Bell, Inc., d/b/a SBC Wisconsin Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of MCIMetro Access Transmission Services, LLC and MCI Worldcom Communications, Inc.

Indiana Utility Regulatory Commission

Cause No. 42893-INT 01

Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana Petition for Arbitration of Interconnection Rates Terms and Conditions and Related Arrangements with MCIMetro Access Transmission Services LLC, Intermedia Communications LLC, and MCI Worldcom Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of MCIMetro Access Transmission Services, LLC, Intermedia Communications, LLC and MCI Worldcom Communications, Inc.

Before the Illinois Commerce Commission

Docket No. 05-0442

Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 with Illinois Bell Telephone Company to Amend Existing Interconnection Agreements to Incorporate the Triennial Review Order and the Triennial Review Remand Order

On behalf of Access One, Inc.; Broadview Networks, Inc.; BullsEye Telecom, Inc.; Cbeyond Communications, LLC; USXchange of Illinois, LLC, d/b/a ChoiceOne Communications; CIMCO Communications, Inc.; First Communications, LLC; Forte Communications, Inc.; Globalcom, Inc.; ICG Telecom Group, Inc.; King City Telephone, LLC, d/b/a Southern Illinois Communications; KMC Telecom V, Inc.; McLeodUSA Telecommunications Services, Inc.; Mpower Communications Corporation, d/b/a Mpower Communications of Illinois; Neutral Tandem – Illinois, LLC; New Edge Network, Inc.; nii Communications, Ltd.; Novacon Holdings, LLC; Nuvox Communications of Illinois, Inc.; OnFiber Carrier Services, Inc.; Talk America, Inc.; TCG Chicago; TCG Illinois; TDS Metrocom, LLC; and Trinsic Communications, Inc.

Before The Hawaii Public Utilities Commission

Docket No. 04-0140

Application of Paradise MergerSub, Inc., GTE Corporation, Verizon Hawaii Inc., Bell Atlantic Communications, Inc., and Verizon Select Services Inc. For Approval of a Merger Transaction and Related Matters

On behalf of the Hawaii Public Utilities Commission

Before the Illinois Commerce Commission

Docket No. 04-0469

Petition for Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Illinois Bell Telephone Company Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of MCIMetro Access Transmission Services, LLC, MCI Worldcom Communications, Inc. and Intermedia Communications LLC

PUBLIC VERSION

Before the Public Utility Commission of Texas

Docket No. 28821

Arbitration of Non-Costing Issues for Successor Interconnection Agreements to The Texas 271 Agreement.

On behalf of MCImetro Access Transmission Services, LLC

Before the Public Service Commission of Wisconsin

Docket No. 6720-TI-187

Petition of SBC Wisconsin to Determine Rates and Costs for Unbundled Network Elements

On behalf of AT&T Communications of Wisconsin, LP, TCG Milwaukee and MCI, Inc.

Before the Illinois Commerce Commission

Docket No. 02-0864

Filing to increase Unbundled Loop and Nonrecurring Rates (Tariffs filed December 24, 2002)

On behalf of *The CLEC Coalition* (AT&T, Worldcom, Inc., McLeodUSA, Covad, TDS Metrocom, Allegiance, RCN Telecom, Globalcom, Z-Tel, XO Illinois, Forte Communications, CIMCO Communications)

Before the Connecticut Department of Public Utility Control

Docket No. 03-09-01PH02

DPUC Implementation of the Federal Communications Commission's Triennial Review Order – Hot Cut/Batch

On behalf of MCI

Before the Public Utilities Commission of the State of California

Rulemaking 95-04-043, Investigation 95-04-044

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.

On behalf of MCImetro, MCI Worldcom

Before the Public Utility Commission of Texas

Docket No. 28607

Impairment Analysis of Local Circuit Switching for the Mass Market

On behalf of MCImetro, MCI Worldcom, Brooks Fiber Communications of Texas

Before the State Corporation Commission of the State of Kansas

Docket No. 03-GIMT-1063-GIT

In the Matter of a General Investigation to Implement the State Mandates of the Federal Communications Commission's Triennial Review Order

On behalf of MCImetro, MCI Worldcom

Before the Public Utilities Commission of Ohio

Case No. 04-34-TP-COI

In the Matter of the Implementation of the Federal Communications Commission's Triennial Review Regarding Local Circuit Switching in SBC Ohio's Mass Market

On behalf of MCImetro, MCI Worldcom

Before the Michigan Public Service Commission

Case No. U-13891

In the matter, on the Commission's own motion, to investigate and to implement, a batch cut migration process

On behalf of MCImetro, MCI Worldcom

Before the Michigan Public Service Commission

Case No. U-13796

PUBLIC VERSION

In the matter, on the Commission's own motion, to facilitate the implementation of the Federal Communication Commission's Triennial Review determinations in Michigan

On behalf of MCImetro, MCI Worldcom

Before the Missouri Public Service Commission

Case No. TO-2004-0207

In the Matter of a Commission Inquiry into the Possibility of Impairment Without Unbundled Local Circuit Switching when Serving the Mass Market

On behalf of Sage Telecom, Inc.

Before the State of New York Public Service Commission

Case No. 02-C-1425

Proceeding on Motion of the Commission to Examine the Process, and Related Costs of Performing Loop Migrations on a More Streamlined (e.g., Bulk) Basis

On behalf of MCImetro, MCI Worldcom

Before the Indiana Utility Regulatory Commission

Cause No. 42393

In the Matter of the Commission Investigation and Generic Proceeding of Rates and Unbundled Network Elements and Collocation for Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana Pursuant to the Telecommunications Act of 1996 and Related Indiana Statutes

On behalf of *The CLEC Coalition* (AT&T, TCG Indianapolis, Worldcom, Inc., McLeodUSA, Covad, Z-Tel).

Before the Michigan Public Service Commission

Case No. U-13531

In the matter, on the Commission's own motion, to review the costs of telecommunications services provided by SBC Michigan

On behalf of AT&T, Worldcom, Inc., McLeodUSA and TDS Metrocom.

Before the Illinois Commerce Commission

Docket No. 03-0323

Petition to Determine Adjustments to UNE Loop Rates Pursuant to Section 13-408 of the Illinois Public Utilities Act

On behalf of *The CLEC Coalition* (AT&T, Worldcom, Inc., McLeodUSA, Covad, TDS Metrocom, Allegiance, RCN Telecom, Globalcom, Z-Tel, XO Illinois, Forte Communications, CIMCO Communications)

Before the Public Utility Commission of Ohio

Case No. 96-1310-TP-COI

In the Matter of the Commission's Investigation into the Implementation of Section 276 of the Telecommunications Act of 1996 Regarding Pay Telephone Services

On behalf of the Payphone Association of Ohio

Before the Wisconsin Public Service Commission

Docket No. 6720-TI-177

Investigation Into Ameritech Wisconsin's Loop Conditioning Services and Practices

On behalf of WorldCom, Inc., AT&T Communications of Wisconsin, L.P. and TCG Milwaukee, McLeodUSA Telecommunications Services, Inc., TDS Metrocom, LLC

Before the Michigan Public Service Commission

Case No. U-11756 - REMAND

Complaint Pursuant to Sections 203 and 318 of the Michigan Telecommunications Act to Compel Respondents to Comply with Section 276 of the Federal Telecommunications Act

PUBLIC VERSION

On behalf of the Michigan Pay Telephone Association

Before the New York Public Service Commission

Case No. 00-C-0127

Proceeding on the Motion of the Commission to Examine Issues Concerning Provision of Digital Subscriber Line Services

On behalf of MCI Worldcom Network Services, Inc.

Before the Indiana Utility Regulatory Commission

Cause No. 42236

Complaint of Time Warner Telecom Against Ameritech Indiana Regarding Its Unlawful Market Practice of Issuing Equipment Vouchers in Violation of the Indiana Code and Opportunity Indiana II and Petition for Emergency Suspension of any and all Ameritech Indiana Equipment Voucher Marketing Practices Pending Commission Investigation

On behalf of Time Warner Telecom of Indiana, LP

Before the Pennsylvania Public Utility Commission

Docket No. P-00930715F0002

Re: Verizon Pennsylvania Inc., Petition and Plan for Alternative Form of Regulation Under Chapter 30, 2000 Biennial Update to Network Modernization Plan

On behalf of MCI Worldcom Network Services, Inc.

Before the Illinois Commerce Commission

Docket No. 01-0609

Investigation of the propriety of the rates, terms, and conditions related to the provision of the Basic COPTS Port and the COPTS-Coin Line Port

On behalf of Payphone Services, Inc., DataNet Systems, LLC, Illinois Public Telecommunications Association

Before the Indiana Utility Regulatory Commission

Cause No. 40611-S1 (Phase II)

In the Matter of: The Commission Investigation and Generic Proceeding on Ameritech Indiana's Rates for Interconnection Service, Unbundled Elements, and Transport and Termination under the Telecommunications Act of 1996 and Related Indiana Statutes

On behalf of AT&T, Worldcom, Inc., and McLeodUSA Telecommunications Services, Inc.

Before the State of North Carolina Utility Commission

Docket No. P-7, Sub 980, P-10, Sub 622

Enforcement of Interconnection Agreement Between KMC Telecom III, Inc. and KMC Telecom V, Inc., against Carolina Telephone and Telegraph Company and Central Telephone Company

On behalf of KMC Telecom, Inc.

Before the Illinois Commerce Commission

Docket Nos. 98-0252, 98-0335, 98-0764 (Reopening)

SBC/Ameritech Merger, Reopening to Discuss Settlement Agreement Regarding Merger Savings

On behalf of AT&T, Worldcom, Inc., and McLeodUSA Telecommunications Services, Inc.

Before the Public Utility Commission of Ohio

Docket No. 01-1319-TP-ARB

In the Matter of MCImetro Access Transmission Services, LLC Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Ameritech Ohio

On behalf of MCIWorldcom, Inc.

PUBLIC VERSION

Before the Illinois Commerce Commission

Docket No. 00-0393 (Rehearing)

Illinois Bell Telephone Company, d/b/a Ameritech Illinois Proposed Implementation of High Frequency Portion of the Loop (HFPL)/Line Sharing Service

On behalf of AT&T Communications of Illinois, Inc. and Worldcom, Inc.

Before the Wisconsin Public Service Commission

Case No. 6720-TI-167

Complaint Against Ameritech Wisconsin Filed by Wisconsin Builders Association, Inc.

On behalf of Wisconsin Builders Association, Inc.

Before the Public Service Commission of South Carolina

Docket No. 2001-65-C

In the Matter of Generic Proceeding to Establish Prices For BellSouth's Interconnection Services, Unbundled Network Elements and Other Related Elements and Services

On behalf of NuVox Communications, Broadslate Networks, KMC Telecom, New South Communications, ITC^Deltacom Communications

Before the Louisiana Public Service Commission

Docket No. 27821

In the Matter of Generic Proceeding to Establish Interim and Permanent Prices for Docket No. 27821

xDSL Loops and/or Related Elements and Services

On behalf of Covad Communications

Before the Public Utility Commission of Ohio

Case No. 00-942-TP-COI

In the Matter of the Further Investigation into Ameritech Ohio's Entry into In-Region Interlata Service Under Section 271 of the Telecommunications Act of 1996

On behalf of AT&T, WorldCom and XO Communications

Before the Washington Utilities and Transportation Commission

Docket No. UT 003013, Part B

In the Matter of the Continued Costing and Pricing of Unbundled Network Elements, Transport and Termination

On behalf of Focal Communications, XO Washington, Inc.

Before the Illinois Commerce Commission

Docket No. 98-0195

Investigation into certain payphone Issues as directed in Docket No. 97-0225

On behalf of the Illinois Pay Telephone Association

Before the Alabama Public Service Commission

Docket No. 27821

Generic Proceeding to Establish Interim and Permanent Prices for xDSL Loops and/or Related Elements and Services

On behalf of The Data Coalition (Covad Communications and Broadslate Networks of Alabama, Inc.)

Before the Wisconsin Public Service Commission

Docket No. 6720-TI-160

Docket No. 6720-TI-161

Investigation Into Ameritech Wisconsin's Unbundled Network Elements

PUBLIC VERSION

On behalf of AT&T, Worldcom, McLeodUSA, TDS Metrocom, KMC Telecom, Time Warner Telecom, Rhythms Links,

Before the Tennessee Regulatory Authority

Docket No. 00-00544

Generic Docket to Establish UNE Prices for Line Sharing per FCC 99-355, and Riser Cable and Terminating Wire as Ordered in Authority Docket No. 98-00123

On behalf of Covad Communications, Inc., Mpower Communications and BroadSlate Networks of Tennessee, Inc.

Before the Public Utilities Commission of the State of Hawaii

Docket No. 7702, Phase III

Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii

On behalf of GST Telecom Hawaii, Inc.

Before the North Carolina Utilities Commission

Docket P100 Sub 133d, Phase II

General Proceeding to Determine Permanent Pricing for Unbundled Network elements

On behalf of a consortium of 13 new entrant carriers

Before the Federal Communications Commission

CCB/CPD No. 00-1

In the Matter of Wisconsin Public Service Commission Order Directing Filings

On behalf of the Wisconsin Pay Telephone Association

Before the North Carolina Utilities Commission

Docket P100 Sub 133d, Phase I

General Proceeding to Determine Permanent Pricing for Unbundled Network elements

On behalf of a consortium of 13 new entrant carriers

Before the State of New York Public Service Commission

Case No. 98-C-1357

Proceeding on Motion of the Commission to Examine New York Telephone Company's Rates for Unbundled Network Elements

On behalf of the CLEC Coalition

Before the Public Utilities Commission of the State of California

Rulemaking 0-02-05

Order Instituting Rulemaking on the Commission's Own Motion into reciprocal compensation for telephone traffic transmitted to Internet Service Providers modems

On behalf of ICG Telecom Group, Inc.

Before the Public Utilities Commission of the State of Colorado

Docket No. 00B-103T

In the Matter of Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection Agreement with US West Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996.

On behalf of ICG Telecom Group, Inc.

Before the Delaware Public Service Commission

PSC Docket No. 00-205

For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic – Delaware, Inc.

On behalf of Focal Communications Corporation of Pennsylvania

PUBLIC VERSION

Before the Georgia Public Service Commission

Case No. 11641-U

*Petition of BlueStar Networks, Inc. for Arbitration with BellSouthDocket No. 11641-U
Telecommunications, Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996*
On behalf of BlueStar Networks, Inc.

Before the New Jersey Board of Public Utilities

Docket No. TO00030163

*For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an
Interconnection Agreement with Bell Atlantic-New Jersey, Inc.*
On behalf of Focal Communications Corporation

Before the Pennsylvania Public Utility Commission

Docket No. A-310630F.0002

*For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an
Interconnection Agreement with Bell Atlantic-Pennsylvania*
On behalf of Focal Communications Corporation

Before the Michigan Public Service Commission

Case No. U-12287

*In the matter of the application, or in the alternative, complaint of AT&T COMMUNICATIONS OF
MICHIGAN, INC. against Michigan Bell Telephone Company, D/B/A, Ameritech Michigan*
On behalf of AT&T Communications of Michigan, Inc.

Before the Missouri Public Service Commission

Case No. 99-483

*An Investigation for the Purpose of Clarifying and Determining Certain aspects Surrounding the
Provisioning Of Metropolitan Calling Area Services After the Passage and Implementation Of the
Telecommunications Act of 1996*
On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Illinois Commerce Commission

Docket No. 98-0396

*Investigation into the compliance of Illinois Bell Telephone Company with the order in Docket 96-
0486/0569 Consolidated regarding the filing of tariffs and the accompanying cost studies for
interconnection, unbundled network elements and local transport and termination and regarding end to
end bundling issues.*
On behalf of AT&T Communications of Illinois, Inc. and McLeodUSA Telecommunications Services, Inc.

Before the Illinois Commerce Commission

Docket No. 99-0593

Investigation of Construction Charges
On behalf of McLeodUSA Telecommunications Services, Inc., MCI WorldCom, Inc. and Allegiance
Telecom, Inc.

Before the Public Service Commission of Wisconsin

Case No. 05-TI-283

*Investigation of the Compensation Arrangements for the Exchange of Traffic Directed to Internet Service
Providers*
On behalf of AT&T Communications of Wisconsin, AT&T Local Services, KMC Telecom, Inc., MCI
WorldCom, Inc., McLeodUSA Telecommunications Services, Inc., TDS MetroComm, Time Warner
Telecom

PUBLIC VERSION

Before the Public Utility Commission of Texas

Docket No. 21982

Proceeding to Examine Reciprocal Compensation Pursuant to Section 252 of the Federal Telecommunications Act of 1996

On behalf of ICG Communications, Inc.

Before the Public Service Commission of the Commonwealth of Kentucky

Case No. 99-498

Petition of BlueStar Networks, Inc. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996.

On behalf of BlueStar Networks, Inc.

Before the Illinois Commerce Commission

Docket No. 00-0027

Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Illinois Bell Telephone Company d/b/a Ameritech Illinois.

On behalf of Focal Communications Corporation of Illinois

Before The Indiana Utility Regulatory Commission

Cause No. 41570

In the Matter of the Complaint of McLeodUSA Telecommunications Services, Inc. against Indiana Bell Telephone Company, Incorporated, d/b/a Ameritech Indiana, Pursuant to the Provisions of I.C. §§ 8-1-2-54, 8-1-2-68, 8-1-2-103 and 8-1-2-104 Concerning the Imposition of Special Construction Charges.

On behalf of McLeodUSA Telecommunications Services, Inc.

Before the Florida Public Service Commission

Docket No. 991838-TP

Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of BlueStar Networks, Inc.

Before the Public Utility Commission of Ohio

Case No. 99-1153-TP-ARB

In the Matter of ICG Telecom Group, Inc.'s Petition For Arbitration of Interconnection Rates, Terms and Conditions and Related Arrangements with Ameritech Ohio

On behalf of ICG Telecom Group, Inc.

Before the Public Utility Commission of Oregon

ARB 154

Petition for Arbitration of GST Telecom Oregon, Inc. Against US West Communications, Inc. Under 47 U.S.C. §252(b)

On behalf of GST Telecom Oregon, Inc.

Before the Michigan Public Service Commission

Docket No. U-12072

In the matter of the application and complaint of WORLDCOM TECHNOLOGIES INC. (f/k/a MFS INTELENET OF MICHIGAN, INC., an MCI WORLDCOM company) against MICHIGAN BELL TELEPHONE COMPANY d/b/a AMERITEHC MICHIGAN, AMERITECH SERVICES, INC., AMERITECH INFORMATION INDUSTRY SERVICES, AND AMERITECH LONG DISTANCT INDUSTRY SERVICES relating to unbundled interoffice transport.

On behalf of WorldCom Technologies, Inc.

Before the Illinois Commerce Commission

Docket No. 99-0525

PUBLIC VERSION

Ovation Communications, Inc. d/b/a McLeodUSA, Complaint Against Illinois Bell Telephone Company d/b/a Ameritech Illinois, Under Sections 13-514 and 13-515 of the Public Utilities Act Concerning the Imposition of Special Construction Charges and Seeking Emergency Relief Pursuant to Section 13-515(e)
On behalf of McLeodUSA

Before the Public Service Commission of the Commonwealth of Kentucky

Case No. 99-218

Petition of ICG Telecom Group, Inc. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996.

On behalf of ICG Telecom Group, Inc.

Before the Tennessee Regulatory Authority

Docket No. 1999-259-C

Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of ICG Communications, Inc.

Before the New Mexico Public Regulation Commission

Case No. 3131

In the Matter of GST Telecom New Mexico, Inc.'s Petition for Arbitration Against US West Communications, Inc., Under 47 U.S.C. § 252(b).

On behalf of GST Telecom New Mexico, Inc.

Before the Georgia Public Service Commission

Docket No. 10767-U

Petition of ICG Telecom Group, Inc. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996.

On behalf of ICG Telecom Group, Inc.

Before the Public Service Commission of New York

Case No. 99-C-0529

Proceeding on Motion of the Commission to Re-examine Reciprocal Compensation

On behalf of Focal Communications, Inc.

Before the Florida Public Service Commission

Docket No. 990691-TP

Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996

On behalf of ICG Telecom Group, Inc.

Before the Louisiana Public Service Commission

Docket No. U-24206

Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of ITC^DeltaCom, Inc.

Before the South Carolina Public Service Commission

Docket No. 199-259-C

Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996

On behalf of ITC^DeltaCom, Inc.

Before the Alabama Public Service Commission

Docket No. 27069

PUBLIC VERSION

Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996
On behalf of ICG Telecom Group, Inc.

Before the State of North Carolina Utilities Commission

Docket No. P-582, Sub 6

Petition by ICG Telecom Group, Inc. for Arbitration of Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996
On behalf of ICG Telecom Group, Inc.

Before the Missouri Public Service Commission

Case No. TO-99-370

Petition of BroadSpan Communications, Inc. for Arbitration of Unresolved Interconnection Issues Regarding ADSL with Southwestern Bell Telephone Company
On behalf of BroadSpan Communications, Inc.

Before the Michigan Public Service Commission

Case No. U-11831

In the Matter of the Commission's own motion, to consider the total service long run incremental costs for all access, toll, and local exchange services provided by Ameritech Michigan.
On behalf of MCIWorldCom, Inc.

Before the Illinois Commerce Commission

Docket Nos. 98-0770, 98-0771 cons.

Proposed Modifications to Terms and Conditions Governing the Provision of Special Construction Arrangements and, Investigation into Tariff Governing the Provision of Special Constructions Arrangements
On behalf of AT&T Communications of Illinois, Inc.

Before the Michigan Public Service Commission

Case No. U-11735

In the matter of the complaint of BRE Communications, L.L.C., d/b/a PHONE MICHIGAN, against Michigan Bell Telephone Company, d/b/a AMERITECH MICHIGAN, for violations of the Michigan Telecommunications Act
On behalf of BRE Communications, L.L.C.

Before the Indiana Utility Regulatory Commission

Cause No. 40830

In the Matter of the request of the Indiana Payphone Association for the Commission to Conduct an Investigation of Local Exchange Company Pay Telephone tariffs for Compliance with Federal Regulations, and to Hold Such Tariffs in Abeyance Pending Completion of Such Proceeding
On behalf of the Indiana Payphone Association

Before the Michigan Public Service Commission

Case No. U-11756

Complaint Pursuant to Sections 203 and 318 of the Michigan Telecommunications Act to Compel Respondents to Comply with Section 276 of the Federal Telecommunications Act
On behalf of the Michigan Pay Telephone Association

Before the Missouri Public Service Commission

Case No. TO-98-278

In the Matter of the Petition of Birch Telecom of Missouri, Inc., for Arbitration of the Rates, Terms, Conditions, and Related Arrangements for Interconnection with Southwestern Bell Telephone Company
On behalf of Birch Telecom of Missouri, Inc.

PUBLIC VERSION

Before the Public Service Commission of the Commonwealth of Kentucky

Administrative Case No. 361

Deregulation of Local Exchange Companies' Payphone Services

On behalf of the Kentucky Payphone Association

Before the Public Utilities Commission of Ohio

Case No. 96-899-TP-ALT

The Application of Cincinnati Bell Telephone Company for Approval of a Retail Pricing Plan Which May Result in Future Rate Increases

On behalf of the MCI Telecommunications Corporation

Before the Public Utilities Commission of the State of Hawaii

Docket No. 7702

Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii

On behalf of GST Telecom Hawaii, Inc.

Before the Michigan Public Service Commission

Case No. U-11410

In the Matter of the Petition of the Michigan Pay Telephone Association to initiate an investigation to determine whether Michigan Bell Telephone Company d/b/a Ameritech Michigan and GTE North Incorporated are in compliance with the Michigan Telecommunications Act and Section 276 of The Communications Act of 1934, as amended

On behalf of the Michigan Pay Telephone Association

Before the Indiana Utility Regulatory Commission

Cause No. 40849

In the matter of Petition of Indiana Bell Telephone Company, Incorporated d/b/a Ameritech Indiana for the Commission to Decline to Exercise in Whole or in Part its Jurisdiction Over, and to Utilize Alternative Regulatory Procedures For, Ameritech Indiana's Provision of Retail and Carrier Access Services Pursuant to I.C. 8-1-2.6 Et Seq.

On behalf of AT&T Communications of Indiana, Inc.

Before the Federal Communication Commission

C.C. Docket No. 97-137

In the Matter of Application by Ameritech Michigan for Authorization under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of Michigan.

On behalf of the AT&T Corporation

Before the Indiana Utility Regulatory Commission

Cause No. 40611

In the Matter of the Commission Investigation and Generic Proceeding on Ameritech Indiana's Rates for Interconnection, Service, Unbundled Elements and Transport and Termination under the Telecommunications Act of 1996 and Related Indiana Statutes

On behalf of the MCI Telecommunications Corporation

Before the Public Utility Commission of Ohio

Case No. 97-152-TP-ARB

In the matter of the petition of MCI Telecommunications Corporation for arbitration pursuant to section 252(b) of the Telecommunications Act of 1996 to establish an interconnection agreement with Cincinnati Bell Telephone Company

On behalf of the MCI Telecommunications Corporation

PUBLIC VERSION

Before the Michigan Public Service Commission

Case No. U-11280

In the matter, on the Commission's own motion to consider the total service long run incremental costs and to determine the prices of unbundled network elements, interconnection services, and basic local exchange services for AMERITECH MICHIGAN

On behalf of the MCI Telecommunications Corporation

Before the Illinois Commerce Commission

Docket No. 96-0486

Investigation into forward looking cost studies and rates of Ameritech Illinois for interconnection, network elements, transport and termination of traffic

On behalf of the MCI Telecommunications Corporation

Before the Public Utility Commission of Ohio

Case No. 96-922-TP-UNC

In the Matter of the Review of Ameritech Ohio's Economic Costs for Interconnection, Unbundled Network Elements, and Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic

On behalf of the MCI Telecommunications Corporation

Before the New Jersey Board of Public Utilities

Docket No. TX95120631

In the Matter of the Investigation Regarding Local Exchange Competition for Telecommunications Services

On behalf of the MCI Telecommunications Corporation

Before the Michigan Public Service Commission

Case No. U-11104

In the matter, on the Commission's Own Motion, to Consider Ameritech Michigan's Compliance With the Competitive Checklist in Section 271 of the Telecommunications Act of 1996

On behalf of AT&T Communications of Indiana, Inc.

Before the Public Utility Commission of Ohio

Case Nos. 96-702-TP-COI, 96-922-TP-UNC, 96-973-TP-ATA, 96-974-TP-ATA, Case No. 96-1057-TP-UNC

In the Matter of the Investigation Into Ameritech Ohio's Entry Into In-Region InterLATA Services Under Section 271 of the Telecommunications Act of 1996.

On behalf of AT&T Communications of Ohio, Inc.

Before the Illinois Commerce Commission

Docket No. 96-0404

Investigation Concerning Illinois Bell Telephone Company's Compliance With Section 271(c) of the Telecommunications Act of 1996

On behalf of AT&T Communications of Illinois, Inc.

Before the Commonwealth of Massachusetts Department of Public Utilities

In the Matter of: D.P.U. 96-73/74, D.P.U. 96-75, D.P.U. 96-80/81, D.P.U. 96-83, D.P.U. 96-94, NYNEX - Arbitrations

On behalf of the MCI Telecommunications Corporation

Before the Pennsylvania Public Utility Commission

Docket No. A-31023670002

In the Matter of the Application of MCI Metro Access Transmission Services, Inc. For a Certificate of Public Convenience and Necessity to Provide and Resell Local Exchange Telecommunications Services in Pennsylvania

PUBLIC VERSION

On behalf of MCImetro Access and Transmission Services, Inc.

Before the New Jersey Board of Public Utilities

Docket No. TO96080621

*In the Matter of MCI Telecommunications Corporation for Arbitration with Bell Atlantic-New Jersey, Inc.
Pursuant to Section 252 of the Telecommunications Act of 1996*

On behalf of the MCI Telecommunications Corporation

Before the Indiana Utility Regulatory Commission

Cause No. 40571-INT-01

*Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with
Wisconsin Bell Telephone Company d/b/a Ameritech Wisconsin*

On behalf of AT&T Communications of Wisconsin, Inc.

Before the Public Utility Commission of Ohio

Case No. 96-752-TP-ARB

*Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with
Ohio Bell Telephone Company d/b/a Ameritech Ohio*

On behalf of AT&T Communications of Ohio, Inc.

Before the Illinois Commerce Commission

Docket No. 96-AB-003

Docket No. 96-AB-004 *Consol.*

*Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with
Illinois Bell Telephone Company d/b/a Ameritech Illinois*

On behalf of AT&T Communications of Illinois, Inc.

Before the Michigan Public Service Commission

Case No. U-11151

*Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with
Michigan Bell Telephone Company d/b/a Ameritech Michigan*

On behalf of AT&T Communications of Michigan, Inc.

Before the Indiana Utility Regulatory Commission

Cause No. 40571-INT-01

*In the Matter of the Petition of AT&T Communications of Indiana, Inc. Requesting Arbitration of Certain
Terms and Conditions and Prices for Interconnection and Related Arrangements from Indiana Bell
Telephone Company, Incorporated d/b/a Ameritech Indiana Pursuant to Section 252 (b) of the
Communications Act of 1934, as Amended by the Telecommunications Act of 1996.*

On behalf of AT&T Communications of Indiana, Inc.

Before the Missouri Public Service Commission

Case No. TT-96-268

*Application of Southwestern Bell Telephone Company, Inc. to Revise P.S.C. Mo.-No. 26, Long Distance
Message Telecommunications Service Tariff to Introduce the Designated Number Optional Calling Plan*

On behalf of the MCI Telecommunications Corporation

Before the Corporation Commission of the State of Oklahoma

Cause No. PUD 950000411

*Application of Southwestern Bell Telephone Company for an Order Approving Proposed Revisions in
Applicant's Long Distance Message Telecommunications Service Tariff*

Southwestern Bell Telephone Company's Introduction of 1+ Saver Directsm

On behalf of the MCI Telecommunications Corporation

PUBLIC VERSION

Before the Georgia Public Service Commission

Docket No. 6415-U and 6537-U *cons.*

Petition of MCImetro to Establish Nondiscriminatory Rates, Terms and Conditions for the Unbundling and Resale of Local Loops

On behalf of MCImetro Access Transmission Services

Before the Public Service Commission of the State of Mississippi

Docket No. 95-UA-358

Regarding a Docket to Consider Competition in the Provision of Local Telephone Service

On behalf of the Mississippi Cable Television Association

Before the Maryland Public Service Commission

Docket No. 8705

In the Matter of the Inquiry Into the Merits of Alternative Plans for New Telephone Area Codes in Maryland

On behalf of the Staff of the Maryland Public Service Commission

Before the Maryland Public Service Commission

Docket No. 8584, Phase II

In the Matter of the Application of MFS Intelenet of Maryland, Inc. for Authority to Provide and Resell Local Exchange and Inter-Exchange Telephone Service; and Requesting the Establishment of Policies and Requirements for the Interconnection of Competing Local Exchange Networks

In the Matter of the Investigation of the Commission on its Own Motion Into Policies Regarding Competitive Local Exchange Telephone Service

On behalf of the Staff of the Maryland Public Service Commission

Before the Illinois Commerce Commission

Docket No. 94-0400

Application of MCImetro Access and Transmission Services, Inc. For a Certificate of Exchange Service Authority Allowing it to Provide Facilities-Based Local Service in the Chicago LATA

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0315

Petition of Ameritech-Illinois for 708 NPA Relief by Establishing 630 Area Code

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0422

Complaints of MFS, TC Systems, and MCI against Ameritech-Illinois Regarding Failure to Interconnect

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket Nos. 94-0096, 94-0117, and 94-301

Proposed Introduction of a Trial of Ameritech's Customers First Plan in Illinois, et al.

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0049

Rulemaking on Line-Side and Reciprocal Interconnection

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 93-0409

PUBLIC VERSION

MFS-Intelenet of Illinois, Inc. Application for an Amendment to its Certificate of Service Authority to Permit it to Operate as a Competitive Local Exchange Carrier of Business Services in Those Portions of MSA-1 Served by Illinois Bell Telephone and Central Telephone Company of Illinois
On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 94-0042, 94-0043, 94-0045, and 94-0046

Illinois Commerce Commission on its own motion. Investigation Regarding the Access Transport Rate Elements for Illinois Consolidated Telephone Company (ICTC), Ameritech-Illinois, GTE North, GTE South, and Central Telephone Company (Centel)

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Illinois Commerce Commission

Docket No. 93-0301 and 94-0041

GTE North Incorporated. Proposed Filing to Restructure and Consolidate the Local Exchange, Toll, and Access Tariffs with the Former Centel of Illinois, Inc.

On behalf of the Office of Policy and Planning, Illinois Commerce Commission

Before the Public Service Commission of the State of Missouri

Case No. TC-93-224 and TO-93-192

In the Matter of Proposals to Establish an Alternate Regulation Plan for Southwestern Bell Telephone Company

On behalf of the Telecommunications Department, Missouri Public Service Commission

Before the Public Service Commission of the State of Missouri

Case No. TO-93-116

In the Matter of Southwestern Bell Telephone Company's Application for Classification of Certain Services as Transitionally Competitive

On behalf of the Telecommunications Department, Missouri Public Service Commission

PUBLIC VERSION

Selected Reports, Invited Presentations and Publications, etc.

Network Services 2025

Telecommunications Industry Trends and Emerging Technologies: The Potential Impact on Federal Acquisitions

A detailed review of Software Defined-Wide Area Networks, Network Function Virtualization, Network as a Service, 5G Wireless, DevOps and other emerging technologies.

Prepared for the U.S. General Services Administration

November 2017

Texting with Toll-Free Numbers

Old-School Market Failure Plagues a New-Age Market

A QSI Consulting Exploratory Paper

September 2016

Cost of Performance

Multi-State Tax Commission

Winter Informational and Training Session for State Attorneys

Invited Speaker

March 2016

Software-Defined Networking

An Overview of How Advances in Software-Defined Networking and Network Function Virtualization are Impacting IP-Based Telecommunications Networks

Prepared for the United States General Services Administration

June 2015

US Patent Application No. 61825684 (May 21, 2013)

Quickchat Mobile Application

Provisional Patent Application

U.S. Patent and Trademark Office

Originating Caller Identification Code ("OCIC")

Competing Submission

Federal Trade Commission's Robocall Challenge

January 2013

In Band Auction Cap; Promoting Sustainable Competition in the Canadian Mobile Wireless Industry Through an Equitable Auction Design

Presented to Industry Canada (Consultation Notice SMSE-018-10); *Consultation on a Policy and Technical Framework for the 700 MHz Band and Aspects Related to Commercial Mobile Spectrum*

April 2011

Exchange Access Rates for Competitive Local Exchange Carriers

A Basis for Economically Rational Pricing Policies

Presented to the FCC (and various state agencies), CC Docket No. 01-92

August 2008

PUBLIC VERSION

IP-Enabled Voice Services

Impact of Applying Switched Access Charges to IP-PSTN Voice Services

QSI Technical Document 012605A

Presented to the FCC Wireline Competition Bureau, Docket Nos. 04-36, 03-266

Washington, D.C., January 2006

Litigating Telecommunications Cost Cases

TELRIC Principles and Other Sources of Enlightenment

Two Day Teaching Seminar for Public Utility Commissions and their Staff (Western States)

Denver, Colorado, February 5&6, 2002

Interconnect Pricing

Critique of FCC Working Paper Nos. 33 & 34

NARUC Winter Meeting 2001

Washington, D.C., February 25, 2001

Telecommunications Costing and Pricing

Interconnection and Inter-Carrier Compensation

Advanced Regulatory Studies Program

Michigan State University

Cincinnati, Ohio, October 13, 2000

Telecommunications Pricing in Tomorrow's Competitive Local Market

Professional Pricing Societies 9th Annual Fall Conference

Pricing From A to Z

Chicago, Illinois, October 30, 1998

Recombining Unbundled Network Elements: An Alternative to Resale

ICM Conferences' Strategic Pricing Forum

January 27, 1998, New Orleans, Louisiana

MERGERS – Implications of Telecommunications Mergers for Local Subscribers

National Association of State Utility Consumer Advocates Mid-Year Meeting,

Chicago, Illinois, June 24 1996

Unbundling, Costing and Pricing Network Elements in a Co-Carrier World

Telecommunications Reports' Rethinking Access Charges & Intercarrier Compensation

Washington, D.C., April 17, 1996

Key Local Competition Issues Part I (novice)

Key Local Competition Issues Part II (advanced)

with Mark Long

National Cable Television Associations' 1995 State Telecommunications Conference

Washington, D.C., November 2, 1995

Competition in the Local Loop

New York State Telephone Association and Telephone Association of New England Issues Forum

Springfield, Massachusetts, October 18, 1995

PUBLIC VERSION

Compensation in a Competitive Local Exchange

National Association of Regulatory Utility Commissioner Subcommittee on Communications'
Summer Meetings

San Francisco, California, July 21, 1995

Fundamentals of Local Competition and Potential Dangers for Interexchange Carriers

COMPTEL 1995 Summer Business Conference

Seattle, Washington, June 12, 1995

Starkey Declaration Exhibit B



ATIS-0401005-0015

Small Exchange Carrier Access Billing (SECAB) Guidelines



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ATIS – 0401005-0015, Small Exchange Carrier Access Billing (SECAB) Guidelines

Is an ATIS standard developed by the Ordering Solutions Committee under the ATIS Ordering and Billing Forum (OBF).

Published by
Alliance for Telecommunications Industry Solutions
1200 G Street, NW, Suite 500
Washington, DC 20005

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Printed in the United States of America.

PUBLIC VERSION
Small Exchange Carrier Access Billing Guidelines
Issue 15, May 2012

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1.4 Scope

The Small Exchange Carrier Access Billing (SECAB) Guidelines document has been created to support those providers, or their vendors, who currently do not conform to the CABS Billing Output Specifications (BOS).

This document is intended to provide guidelines for producing complete and verifiable access bills for the customers. These guidelines do not increase the complexity of providing an access bill to the level that the provider can no longer produce its own bill.

SECAB is neither a replacement for, nor substitution of, the CABS BOS. These guidelines cannot establish new requirements for CABS BOS or change existing ones. It is understood that some requirements contained in this document differ and in some instances exceed the BOS paper requirements. This has been done due to the unique nature of the providers providing the bills.

SECAB identifies the information which small providers should provide in order to meet customer criteria for complete and verifiable access bills. These guidelines also include customer preference and conditional data elements.

These guidelines address access and interconnection billing requirements. It is not a requirement to use the SECAB Guidelines to bill interconnection. However, should you choose to do so, interconnection requirements have been identified. These guidelines do not address all requirements for Meet Point Billing options. The Multiple Exchange Carrier Access Billing (MECAB) contains the recommended guidelines for the billing of access/interconnection services provided to a customer by two or more providers. That document should be consulted for specific meet point criteria.

2.3.1.1 Overall Company Code

The overall company code identifies the telephone company providing an access/interconnection bill. For small companies that operate in only one state, the overall company code and the state/area specific company code are generally the same.

All providers require an overall company code that is not impacted by the territory a company serves. This code may be displayed on the Face Page of the bill to identify the company presenting the bill.

In a multiple check environment within the Single Bill/Multiple Tariff or Multiple Bill/Multiple Tariff meet point options, the overall company code is displayed on individual face pages to identify companies that should be receiving separate checks. This gives the customer information that allows him to combine payments to an EC for numerous bills received.

2.3.1.2 State/Area Specific Company Code

The state/area specific company code identifies a company at the state/area level when that company provides access/interconnection service in more than one state/area. The state/area specific company code will identify an exchange carrier and the specific state/area in which that carrier is providing the access/interconnection service on that bill. A company that provides service in more than one state/area may have a separate state/area specific company code for each state/area in which that company does business and will also have an overall company code.

The state/area specific company code is displayed on a provider's bill to identify the ratable elements by state/area when meet point service is provided under the Single Bill/Multiple Tariff or Multiple Bill/Multiple Tariff options. When using the Single Bill/Multiple Tariff or Multiple Bill options the billing company will identify all companies involved in a service by state/area specific company code.

3. Producing a Paper Bill

3.1 General

These guidelines were developed under the premise that an access/interconnection bill should contain detail sufficient to verify charges. As such, all bill sections and associated data elements discussed in this Section should be provided according to the specific requirements in Chapter 4 (e.g., Required, N/A). These guidelines also include data elements, which should be provided under specific circumstances as well as customer preferences for certain information as identified in Chapter 4. The display of specific rating information is dependent upon a provider's tariff.

3.2 Producing the Face Page

The Face Page communicates key information about the bill, which should include the following: Billing Account Number (BAN), Invoice Number, Overall Company Code, Bill Date, Due by Date, Total Amount Due, Provider Name and Address, Customer Billing Name and Address, Billing Inquiries Contact Number, Billing Inquiries Email (if provided), LATA Code and identification of the service/feature group being billed. The Billing Account Number, Invoice Number, Overall Company Code, and Bill Date should be repeated on each page of the bill.

A remittance name and address should be provided if different from the Provider Name and Address. This information could be displayed either on the Face Page of the bill or as part of a Remittance Document.

In a multiple check environment, the remit to name and address, the remit to company code and total amount due for each company should be provided on the face page.

3.2 Producing the Face Page (Continued)

In addition to the above key information, this page should contain all applicable balance forward amounts (Total Amount of Last Bill, Payments Applied, Adjustments Applied and Total Balance Due). This page should also contain subtotals of all current charges, which comprise the detail sections of the bill (e.g., applicable totals for Other Charges and Credits (OC&Cs), Usage, and Monthly Access Charges). Subtotals should be displayed by jurisdiction for Adjustments, OC&Cs, Usage, and Monthly Access/Interconnection. Details by Taxing Authority (e.g., State, Local) should be presented as a separate detail section. Surcharge or user fee amounts should be presented as a separate detail section.

The Total Amount Due should also be displayed and is generally the last entry. A Face Page should always be provided and is generally the first page of the bill.

If the bill contains any Meet Point Billing (MPB) arrangements, the description "Meet Point Bill" should be displayed on the Face Page of a switched access/interconnection bill. For Single Bill/Multiple Tariff, Multiple Bill/Multiple Tariff, or a Multiple State Bill, the Face Page is a total of charges for all providers and states.

The MECAB contains the recommended guidelines for the billing of access/interconnection services provided to a customer by two or more providers. That document should be consulted for specific meet point criteria.

If a provider is acting as both an unbundled provider and a facility based provider of access/interconnection service, usage must be billed on separate and uniquely identified BANs. The bill that contains charges from the unbundled provider must display the description "Unbundled Provider Bill" on the Face Page of the switched access/interconnection bill.

3.2.1 Required Data Elements

Common Data Elements:

Access Customer Name Abbreviation (ACNA)

A 5 position alphanumeric code provided on the Access Service Request (ASR) form that identifies the access/interconnection customer. At the discretion of the provider, this field may contain the billed customer's company code.

Bill Date

The provider designated date for which an access/interconnection service bill is rendered. This should be a consistent date that is often tied to the end user bill date and will always be a date subsequent or equal to the usage through date.

Billing Account Number (BAN)

A **unique** number assigned to an **account** for billing purposes that is consistent month after month. A BAN must contain a minimum of 10 and a maximum of 13 alphanumeric (i.e., A-Z, 0-9) characters. If the provider changes the BAN, then the customer must be notified in advance.

Billing Inquiries Contact Number

The telephone number of the provider representative or organization who actually handles the account and can answer a customer's questions.

Billing Inquiries Email

The provider may provide the email address of the provider representative or organization who actually handles the account and can answer a customer's questions.

Customer Billing Address

The customer's bill mailing address.

Customer Billing Name

The customer's bill mailing name.

3.2.1 Required Data Elements (Continued)

Invoice Number

A *unique* number assigned to a specific bill that changes monthly. This number should not contain spaces.

Local Access Transport Area (LATA) Code

The Local Access/Interconnection Transport Area (LATA) in which a provider is located. It is only applicable if billing is presented at LATA level or lower (i.e., when an individual bill is prepared for the LATA or NPA/NXX that a carrier operates in).

LATA Code is not applicable for wireless billing.

Overall Company Code

The overall company code identifies the telephone company providing an access/interconnection bill. (Refer to section 2.3.1.1).

Provider Name and Address

The name and address of the provider submitting the bill.

Service/Feature Group Identification

The description of the service/feature group being billed. (e.g., Switched Access/Interconnection Feature Group A, Switched Access/Interconnection Feature Group B, Switched Access/Interconnection Feature Group C, Switched Access/Interconnection Feature Group D, Facility.

Access/Interconnection Service, WATS Access/Interconnection Lines, Wireless Billing, etc.).

A Facility Access/Interconnection bill may contain special or switched flat rated or a combination of switched flat rated and special.

Note: Local resale has its own service/feature group identification.

State/Multi State Identification

The state from which charges were incurred (e.g., GA or XX when multiple states are represented on the invoice).

3.2.1 Required Data Elements (Continued)

Unbundled Provider Bill Identifier

If this is an unbundled provider bill, the phrase “Unbundled Provider Bill” must be printed on the Face Page of the switched access/interconnection bill.

Balance Due Information:

Adjustments Applied

The net total of all adjustments reflected on the current bill separated by state (Interstate, Intrastate), MTA (InterMTA, IntraMTA), Local and Non-Jurisdictionalized.

Payments Applied

The total payments which have been applied to the account. The amount should be reflected as negative to signify that the account was credited and the balance due decreased.

Total Amount of Last Bill

The total amount due on the last bill rendered for the account.

Total Balance Due

The sum of Total Amount of Last Bill plus adjustments and payments applied.

Detail of Current Charges:

Monthly Access Charges

The sum of all non-usage sensitive access charge amounts, by Interstate, Intrastate and Local. This applies to Special Access/Interconnection and, in some cases, Switched Access/Interconnection.

Monthly Access From/Thru Dates

The from and thru dates associated with non-usage sensitive monthly access charges. These dates are applicable for Special Access/Interconnection and, in some cases, Switched Access/Interconnection. The from date should be less than or equal to the associated thru date.

3.2.1 Required Data Elements (Continued)

Other Charges and Credits (OC&Cs)

The sum of all current Other Charges and Credits (OC&C) amounts separated by state (Interstate, Intrastate), Major Trading Area (MTA) (InterMTA, IntraMTA) and Local .

Primary Interexchange Carrier Charges (PICC) Charges

The sum of all current PICC Charges by Interstate and Intrastate.

Surcharges

The sum of all surcharges or user fees.

Taxes

The sum of all current tax amounts. Amounts by taxing authority may be separately displayed beneath the tax total line when a Detail of Taxes section is not produced. When a mixture of Switched and Special Access/Interconnection taxes are billed on a facility access/interconnection bill, they must be grouped and displayed separately.

Total Current Charges

The sum of all current charges.

Usage Charges

The sum of all current Usage Charge amounts separated by state (Interstate, Intrastate), MTA (InterMTA, IntraMTA) and Local.

Remittance:

Due By Date

The date when payment of current charges is due.

Remittance Name and Address

The name and address to which payment is to be remitted. It is only provided if different from the Provider Name and Address. In a multiple check environment, the remit to name and address, remit to company code and total amount due for each company should be provided on the face page.

3.2.1 Required Data Elements (Continued)

Total Amount Due

The sum of all current charges and balance due amounts. In a multiple payment environment, this information should be provided for each company receiving a check.

3.2.2 Additional Data Elements Required for Meet Point Billing

Meet Point Bill (MPB) Account Identifier

If Meet Point is applicable, the phrase “Meet Point Bill” should only be printed on the Face Page of switched access/interconnection bills.

Remit To Company Code

This code represents other companies to whom payment is due in a single bill multiple tariff/multiple bill multiple tariff multiple check environment. (Refer to Section 2.3.1.)

3.3. Producing Detailed Summary of Current Charges

This page is required for paper bills when multiple states or multiple company codes within a state are reflected on the same bill. This section should be produced for each State/Area Specific Company Code.

3.3.1 Required Data Elements

Detail of Current Charges:

Monthly Access Charges

The sum of all non-usage sensitive access charge amounts, by Interstate, Intrastate and Local. This applies to Special Access/Interconnection and, in some cases, Switched Access/Interconnection.

Monthly Recurring From/Thru Dates

The from and thru date associated with non-usage sensitive Monthly Access Charges. These dates are applicable for Special Access/Interconnection and, in some cases, Switched Access/Interconnection. The from date should be less than or equal to the associated thru date.

3.3.1 Required Data Elements (Continued)

Other Charges and Credits (OC&Cs)

The sum of all current Other Charges and Credits (OC&C) amounts separated by state (Interstate, Intrastate), MTA (InterMTA, IntraMTA) and Local.

Primary Interexchange Carrier Charges (PICC) Charges

The sum of all current PICC Charges by Interstate and Intrastate.

State/Area Specific Company Code

The state/area specific company code identifies a company at the state/area level when that company provides access/interconnection service in more than one state/area. (Refer to section 2.3.1.2).

State Identification

The state from which charges were incurred (e.g., GA).

Surcharges

The sum of all surcharges or user fees.

Taxes

The sum of all current tax amounts. Amounts by taxing authority may be separately displayed beneath the tax total line when a Detail of Taxes section is not produced. When a mixture of Switched and Special Access/Interconnection taxes are billed on a facility access/interconnection bill, they must be grouped and displayed separately.

Total Current Charges

The sum of all current charges.

Usage Charges

The sum of all current Usage Charge amounts separated by state (Interstate, Intrastate), MTA (InterMTA, IntraMTA) and Local.

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3.4 Producing Detailed Summary of Jurisdictional Charges

This page(s) is only applicable to a Switched Access/Interconnection paper bill when usage sensitive Switched Access/Interconnection charges are present, i.e.; no corresponding mechanized record is produced. A new section of the bill (Summary of Jurisdictional Charges) should be created to include a breakdown into Interstate and Intrastate. For non-Wireless Billing, Interstate should be further broken down into Interstate/InterLATA and Interstate/IntraLATA when the rating is different. For non-Wireless Billing, Intrastate should be further broken down into Intrastate/InterLATA and Intrastate/IntraLATA when the rating is different. For Wireless Billing, when rating is different, include a breakdown into Interstate/InterMTA, Intrastate/InterMTA and IntraMTA. This new section only needs to be created when more than one Interstate and/or Intrastate jurisdiction at the detail level roll up to the Interstate and/or Intrastate buckets on the Face Page of the bill.

3.4.1 Required Data Elements

Adjustments Applied

The summary of all Adjustments Applied by jurisdiction (i.e., Interstate/InterLATA, Interstate/IntraLATA, Intrastate/InterLATA, Intrastate/IntraLATA Local, Interstate/InterMTA, Intrastate/InterMTA and IntraMTA).

Monthly Access Charges

The summary of all Monthly Access/Interconnection Charges by jurisdiction (i.e., Interstate/InterLATA, Interstate/IntraLATA, Intrastate/InterLATA, Intrastate/IntraLATA, and Local).

Monthly Access Charge From/Thru Dates

The from and thru dates associated with the monthly Access charges.

Other Charges and Credits (OC&Cs)

The summary of all Other Charges and Credits by jurisdiction (i.e., Interstate/InterLATA, Interstate/IntraLATA, Intrastate/InterLATA, Intrastate/IntraLATA Local, Interstate/InterMTA, Intrastate/InterMTA and IntraMTA).

Usage Charges

The summary of all Usage Charges by jurisdiction (i.e., Interstate/InterLATA, Interstate/IntraLATA, Intrastate/InterLATA, Intrastate/IntraLATA Local, Interstate/InterMTA, Intrastate/InterMTA and IntraMTA).

3.4.2 Additional Data Elements Required for Meet Point Billing

State/Area Specific Company Code

The state/area specific company code identifies a company at the state/area level when that company provides access/interconnection service in more than one state/area. (Refer to section 2.3.1.2).

3.6 Producing Detail Summary of Usage Charges

This page(s) is only applicable to Switched Access/Interconnection, Local Resale, Unbundled Element and Wireless Billing paper bills when usage sensitive charges are present, i.e., no corresponding mechanized record is produced. This data will be presented by feature group, by state/provider, by jurisdiction, and by usage billing period. All usage rate elements and directionality displayed in the Detail of Usage Charges section will also be displayed.

The Usage Billing Cycle From and Thru Dates reflected on this page must match the Usage Billing Cycle From and Thru Dates reflected on the Detail of Usage Charges page(s).

Jurisdiction

The narrative description of the jurisdiction (i.e. Interstate/InterLATA, Interstate/IntraLATA, Intrastate/InterLATA, Intrastate/IntraLATA, Local, Interstate/InterMTA, Intrastate/InterMTA and IntraMTA).

Quantity

The number of minutes, calls, lines, queries, etc. to which a usage rate is being applied.

Rate Element

An identification of the usage charge being billed (e.g., Residual Interconnection Charge [RIC], Carrier Common Line, Tandem Switched Facility, Tandem Switched Termination, etc.) including directionality. Refer to the appropriate access/interconnection tariff for a complete list of elements.

State Identification

The state from which the usage charges were incurred (e.g., GA when multiple states are represented on the invoice).

Usage Amount

The dollar amount for a specific usage rate element.

3.10 Producing the Detail of Usage Charges

The Detail of Usage Charges section should be provided when usage charges are present. These detail amounts comprise the total usage charges amount as displayed on the Face Page of the bill.

This section should identify the end office for which the usage applies, the usage cycle being billed (from and thru dates), jurisdiction, Minutes of Use (MOUs), amount, rate, directionality (originating/terminating), Busy Hour Minutes Capacity (BHMC) quantity and type, mileage, and rate element, e.g., Residual Interconnection Charge (RIC), Tandem Switching, and Tandem Switched Facility. When RIC is being billed, information should be provided on a direct versus tandem basis. The switch or tandem that serves the customer's switch must also be identified to support the mileage measurement for the Local Transport Facility rates.

If usage is being billed out of its normal cycle, it should be identified and displayed separately from the current cycle. At minimum, this prior period usage should be reflected by bill cycle for the previous three cycles and bulked for any remaining cycle.

Consideration should also be given to tariffed rate differences associated with premium vs. non premium, time of day, traffic types, etc. When a rate change occurs, the from/thru dates for both the previous and new rates should be provided, along with the associated MOUs and amounts. If a BIP change occurs and is handled in the same manner as a rate change, the same data elements reflected for a rate change must also be reflected for the previous and new BIPs.

For non-Wireless Billing, Interstate should be further broken down into Interstate/InterLATA and Interstate/IntraLATA when the rating is different. For non-Wireless Billing, Intrastate should be further broken down into Intrastate/InterLATA and Intrastate/IntraLATA when the rating is different.

For Wireless Billing, when rating is different, usage should be broken down into Interstate/InterMTA, Intrastate/InterMTA and IntraMTA.

Starkey Declaration Exhibit C

Begin Confidential

End Confidential

Starkey Declaration Exhibit D



PUBLIC VERSION

Mark R. Ortlieb
General Attorney
Legal/State Regulatory

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July 24, 2014

Ms. Mary J. Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way, P.O. Box 30221
Lansing, MI 48909

Re: MPSC Case No. U-17619
In the matter of the Application and Complaint of **WESTPHALIA
TELEPHONE COMPANY**, and **GREAT LAKES COMNET, INC.**,
against **AT&T CORP.**

Dear Ms. Kunkle:

On behalf of AT&T Michigan, enclosed please find for filing **Direct Testimony of Jack Habiak** in the above-captioned case.

Please call me with any questions concerning this filing.

Sincerely,

**Mark R.
Ortlieb**

Mark R. Ortlieb
Attorney for AT&T Michigan

Digitally signed by Mark R. Ortlieb
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MRO/ajb
Enclosure
Cc: Service List (w/enclosure)

PUBLIC VERSION

STATE OF MICHIGAN MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application and Complaint of
WESTPHALIA TELEPHONE COMPANY
and GREAT LAKES COMNET, INC., against
AT&T CORP.

)
)
)
)
)

Case No. U-17619

In the matter of the Application and Complaint of
WESTPHALIA TELEPHONE COMPANY
and GREAT LAKES COMNET, INC., against
LEVEL 3 COMMUNICATIONS, LLC, GLOBAL
CROSSING LOCAL SERVICES, INC. and
WILTEL COMMUNICATIONS, LLC

)
)
)
)
)
)

Case No. U-17660

PROOF OF SERVICE

STATE OF ILLINOIS)
)
COUNTY OF COOK)

ss

Mark Ortlieb, first being duly sworn, deposes and says that he is employed at AT&T Michigan, and that on the 24th day of July 2014, he caused copies of the following documents to be served via U.S. Mail and/or electronic mail upon the parties listed on the attached service list:

DIRECT TESTIMONY OF JACK HABIAK

Mark R.
Ortlieb

Mark Ortlieb

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Subscribed and sworn to before me this
24th day of July 2014

Aletha
Blackmon

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Aletha J. Blackmon
Notary Public, Cook County, Illinois
My Commission Expires: April 23, 2018
Acting in the County of Cook, Illinois

PUBLIC VERSION

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PUBLIC VERSION

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

Case No. U-17619

**Direct Testimony of John W. Habiak
On Behalf of AT&T Corp.**

AT&T Corp. Exhibit 1.0

July 24, 2014

PUBLIC VERSION

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DIRECT TESTIMONY OF JOHN W. HABIAK

ON BEHALF OF AT&T CORP.

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is John (Jack) W. Habiak. My business address is 1 AT&T Way, 2A127, Bedminster, NJ 07921. I am a Director Financial Analysis for AT&T Corp.

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. I lead AT&T Corp.'s investigation and resolution of disputes involving switched access charges billed to AT&T Corp., including disputes that may involve arrangements by carriers to inflate access charges billed to AT&T Corp. My responsibilities include the coordination of data collection and analysis, the review of switched access bills, and the support of policy and litigation efforts. I also participate in the Interstate Regulatory Team, which includes analysis of regulatory filings and support of policy development. In addition, I lead the Global Connectivity Billing Integrity Project for Switched Access.

Q. PLEASE DESCRIBE YOUR EMPLOYMENT EXPERIENCE AND EDUCATION.

A. I have worked for AT&T Corp. and affiliated companies for over 29 years, primarily in the Access Management organization. I also have experience in Network Engineering. My previous positions include:

District Manager – Interstate Access Budget and Regulatory

Manager – Local Issues and Local Connectivity Costs

Manager – Business to Business Access Team Leader

Manager – Access Tariff Issues Management and Analysis

Supervisor – Intrastate Access Budget

Supervisor – Network Engineering Cost Model Tool Development and EDP

Before joining AT&T, I earned a Bachelor of Science degree in Natural Resource Management from Rutgers University. I have a comprehensive science teaching certificate for the state of New Jersey.

Q. WHAT IS THE PURPOSE OF THIS DIRECT TESTIMONY?

A. The purpose of my testimony is to explain why the intrastate switched access charges assessed by the Complainants – Westphalia Telephone Company (“WTC”) and Great Lakes Comnet, Inc. (“GLC”) – are excessive and unreasonable, and to provide an accounting of the refund amounts the Complainants owe to AT&T Corp. I first describe the parties and their relationships, and the “switched access” services that Complainants provide to AT&T Corp. Next, I show how Complainants route switched access traffic to AT&T Corp. I then explain how Complainants overcharged AT&T Corp., by (i) charging for intrastate switched access service at unreasonably high rates, (ii) unreasonably stimulating access traffic and (iii) unreasonably inflating their transport mileage and other charges. Finally, I determine the refund amounts due to AT&T Corp.

Q. DO YOU HAVE ANY SUPPORTING SCHEDULES?

A. Yes, I have attached 8 supporting schedules:

Schedule JH-1 – Switched Access Call Flow Diagram

Schedule JH-2 – Increase in Complainants’ Access Billing

Schedule JH-3 – 8YY Call Flow Diagram

Schedule JH-4 – March 2013 Dispute Letter

Schedule JH-5 – Informal FCC complaint filed by AT&T Corp.

Schedule JH-6 – Informal FCC complaint filed by Verizon, Sprint and CenturyLink

Schedule JH-7 – Comparison of Per-Minute Switched Access Rates

Schedule JH-8 – Calculation of Refund Owed to AT&T Corp.

II. BACKGROUND

A. THE PARTIES

Q. PLEASE TELL US BRIEFLY ABOUT THE PARTIES TO THIS CASE.

A. AT&T Corp. is the Respondent in this case. To be clear, this is AT&T Corp., the legacy AT&T entity that provided long-distance service before it merged with SBC in late 2005. AT&T Corp.’s affiliate Michigan Bell Telephone Company d/b/a AT&T Michigan (“AT&T Michigan”) is not a party in this case.

AT&T Corp. is registered with the Commission as an interexchange carrier (“IXC”) and provides end users the ability to make interexchange or long-distance calls, *i.e.* calls between local exchanges. AT&T Corp. also provides 8YY toll-free service to end users across the country, generally mid-size businesses. 8YY is a unique service because it is the customer *receiving* the call (rather than the customer *making* the call) that pays for the call. It is generally purchased by businesses that want to make it cheap and easy for their

customers to call them. AT&T Corp.'s 8YY customers are the businesses that receive the 8YY calls.

There are two Complainants. Respondent WTC is an incumbent local exchange carrier ("incumbent LEC") that provides telecommunications exchange and exchange access services to business and residential customers in Michigan. Its main switch is located in Westphalia, Michigan, and as of 2011 it provided roughly 964 basic local exchange access lines in that exchange.

Respondent GLC has registered with the Commission as a provider of exchange access services. GLC is owned by a consortium of LECs, including Ace Telephone Company of Michigan and Bloomingdale Telephone Company. GLC is the owner of WTC. More specifically, WTC is owned by Clinton County Telephone Company, and in September, 2011, Clinton County Telephone Company became a subsidiary of GLC.

B. SWITCHED ACCESS CHARGES

Q. PLEASE EXPLAIN WHAT SWITCHED ACCESS CHARGES ARE.

A. Generally speaking, switched access charges are the fees that a local exchange carrier ("LEC") assesses upon wireline long distance providers when the LEC originates or terminates long distance calls made or received by the LEC's end users. The LEC owns the "loop" that connects those end users to the LEC's switch and the rest of the public switched telephone network. LECs typically assess switched access charges for "originating" and terminating" long-distance calls. For example, let's say that an end

93 user in Westphalia buys long-distance service from AT&T Corp. and makes a long-
94 distance call to a friend in Saginaw. In that case, AT&T Corp. picks up the call from the
95 originating LEC in Westphalia and takes it to the LEC that serves the called party in
96 Saginaw. The Saginaw LEC would in turn deliver the call to the called party. The
97 Westphalia LEC that served the party making the call would typically assess an
98 “originating” switched access charge on AT&T Corp., while the Saginaw LEC that
99 served the party receiving the call would typically assess a “terminating” switched access
100 charge on AT&T Corp. Schedule JH-1 provides a high-level illustration of switched
101 access services.

102
103 **Q. WHAT FUNCTIONS DOES A LEC PERFORM WHEN IT PROVIDES**
104 **ORIGINATING SWITCHED ACCESS SERVICE?**

105 A. When an end user places an interexchange call (either an intrastate or interstate call) from
106 a wireline phone, the call travels from the calling party’s location over a loop provided by
107 the LEC that serves that caller, to that LEC’s local serving office (sometimes called an
108 “end office” or “central office”). There, the LEC’s local switch electronically routes the
109 call along a wired path known as a transport trunk to the interexchange carrier’s point of
110 presence (“POP”). Depending on the relevant network architecture, the call may or may
111 not go through an intermediate switch known as a “tandem” switch. At the POP, the
112 LEC hands the call off to the interexchange carrier and the originating access service
113 ends. This call flow scenario is shown in Schedule JH-1.

Q. WHAT FUNCTIONS DOES A LEC PERFORM WHEN IT PROVIDES TERMINATING SWITCHED ACCESS SERVICE?

A. The LEC at the receiving end of the call performs the same basic functions as the LEC at the originating end, only in reverse order. Instead of taking the call from the end user placing the call to the IXC's POP, the terminating LEC takes the call from the IXC's POP to the end user receiving the call. This call flow is also shown on Schedule JH-1.

Q. HOW ARE SWITCHED ACCESS CHARGES CALCULATED?

A. At both the originating and terminating ends, the LEC charges for various "rate elements" that correspond to the features and functions provided and the facilities used in carrying a particular call. At a high level, these rate elements include (i) switching at the end office, (ii) switching and multiplexing at a tandem office (if the call goes through a tandem), and (iii) transport between the end office and the IXC's POP. These rate elements are generally expressed as per-minute charges for each minute of the call's duration. Transport charges can also vary based on the length or "mileage" of transport facilities used for carrying the call.

Q. HOW ARE SWITCHED ACCESS CHARGES REGULATED?

A. For intrastate calls, like the long-distance call between Westphalia and Saginaw in my example above, switched access charges are subject to some regulation by this Commission. If the end user in Westphalia calls someone in Chicago, the call is an interstate call and the associated access charges are regulated by the Federal Communications Commission ("FCC"). My understanding, however, is that in Michigan

(like many states) a LEC's switched access rates for *intrastate* calls "mirror" the corresponding rates for *interstate* calls.

Q. DOES AT&T CORP. DECIDE WHICH LEC WILL "ORIGINATE" OR "TERMINATE" ANY LONG-DISTANCE CALL?

A. No, not at all. AT&T Corp. does not decide which end users call its long-distance or 8YY customers, nor does it decide which calls its long-distance customers make. The end users make that choice. And obviously, AT&T Corp. does not decide where those end users live, or which carrier those end users select to provide their phone service and originate or terminate their calls. Once a LEC delivers a call from a customer served by AT&T Corp., AT&T Corp. has no choice but to accept and carry the call, and no choice but to hand that call off to the terminating LEC that serves the called party. AT&T Corp. cannot block calls coming from or going to a particular LEC, even if that LEC's access charges do not comply with the law.

AT&T Corp. also does not decide which intermediate tandem providers (if any) will handle traffic to and from a particular LEC and deliver it to AT&T Corp. On the contrary, the LEC decides which tandem provider it will use.

Q. AT THE BEGINNING OF YOUR TESTIMONY, YOU MENTIONED THAT YOUR RESPONSIBILITIES INCLUDE THE INVESTIGATION OF ARRANGEMENTS DESIGNED TO INFLATE ACCESS CHARGES. COULD YOU EXPLAIN FURTHER?

161
162 A. There are numerous ways in which access providers have inflated their bills to carriers
163 like AT&T Corp. In the industry, this practice is known generally as “access arbitrage”
164 or simply “arbitrage.” Arbitrage stems from the unusual nature of switched access
165 service. As I explained above, the IXC that “buys” and pays for the service typically
166 does not choose which carrier provides the service, and cannot refuse calls coming from
167 or going to its customers.

168
169 Generically speaking, arbitrage refers to any arrangement that is designed to generate or
170 increase access charges for the LEC rather than actually serving any business or
171 economic purpose for the IXC or the end user. So, for example, if a LEC’s switched
172 access rate for intrastate calls is higher than the corresponding rate for interstate calls, the
173 LEC has an incentive to mis-identify interstate traffic as intrastate so it can charge the
174 higher rate. That is one reason why Michigan, like many other states, requires LECs’
175 intrastate rates to be equal to or less than the corresponding interstate rates.

176
177 **III. THE PARTIES’ DISPUTE**

178 **Q. WHAT IS THE DISPUTE BETWEEN THE PARTIES?**

179 A. The main dispute between the parties relates to the unreasonably high switched access
180 rates that GLC and WTC seek to impose. Their switched access rates are very high.
181 They correspond to rates one might see for traffic that is originated by end users in
182 remote, rural areas of Michigan. The problem is that most of Complainants’ traffic has
183 nothing to do with rural Michigan.

184

185 First, most of the originating switched access traffic comes from competitive local
186 exchange carriers (“CLECs”) that serve dense urban or suburban areas. GLC picks up
187 the traffic in Southfield, transports the traffic a great distance, and then delivers that
188 traffic to AT&T Corp. Before 2014, the vast majority of the CLEC traffic came from
189 Local Exchange Carriers of Michigan (“LECMI”) in Southfield, Michigan; GLC
190 transported the traffic 83 miles to Westphalia, and delivered it to AT&T Corp. in Grand
191 Rapids.

192

193 Second, most of Complainants’ terminating switched access traffic is bound for LECMI,
194 a non-rural CLEC. AT&T Corp. delivers the traffic to GLC in Westphalia, and GLC
195 takes the traffic 83 miles to Southfield. At that point, GLC hands the call off to LECMI.

196

197 **Q. WHY DOES AT&T CORP. DISPUTE GLC’S CHARGES FOR SUCH TRAFFIC?**

198 A. GLC’s application of high rural rates to non-rural CLEC traffic is an unreasonable
199 attempt to get around the rules and inflate access charges. CLECs are subject to FCC
200 rules that “cap” their switched access rates at the level of the incumbent LEC that is their
201 primary competitor. For non-rural CLECs in Michigan, like LECMI, the incumbent LEC
202 for comparison is AT&T Michigan. Thus, if LECMI originates a long-distance call in
203 Southfield that is bound for AT&T Corp., LECMI should charge its non-rural rate for
204 originating the call (which has to be equal to or less than the corresponding AT&T
205 Michigan rate) and deliver it to the closest logical tandem: the AT&T Michigan tandem

in West Bloomfield (7 miles away from Southfield). Instead, GLC picks up the call in Southfield and charges its own high rates for carrying the call to AT&T Corp.

This is doubly improper. GLC is carrying non-rural CLEC traffic, which should be capped at the AT&T Michigan rate. Further, GLC is also a CLEC for purposes of the FCC's rule, so its rates for non-rural Michigan traffic should be also capped at the AT&T Michigan rate. To make matters even worse, GLC charges for 83 miles of transport that AT&T Corp. doesn't need, for GLC to transport the call all the way from Southfield, Michigan to distant Westphalia.

Q. HOW DID AT&T CORP. FIND OUT THAT COMPLAINANTS HAVE BEEN CHARGING HIGH RURAL RATES FOR NON-RURAL TRAFFIC?

A. The issue came to AT&T Corp.'s attention as a result of sharp increases in the volume of access minutes that Complainants billed to AT&T Corp. Those volume increases occurred when Complainants artificially stimulated their access volumes by carrying 8YY traffic that did not originate with their own end users, and that was instead originated by end users of wireless carriers and then passed through non-rural CLECs.

Schedule JH-2 shows Complainants' switched access minutes billed to AT&T Corp. from January 2010 through July 2014, and graphically illustrates the increase in volume over time. As you can see from Schedule JH-2, Complainants' switched access billings for the month of September 2011 were over four times higher than the corresponding monthly billings for January 2010. Nearly all of that fourfold increase relates to charges for

originating switched access. As you can see, in January 2010, Complainants billed slightly more for terminating access than originating access; by September 2011, Complainants' originating switched access charges were roughly three times the corresponding charges for terminating switched access.

Q. PLEASE TELL US MORE ABOUT COMPLAINANTS' AGGREGATION OF WIRELESS 8YY TRAFFIC.

A. As with the non-rural CLEC traffic I discussed above, Complainants are trying to get around the rules. Unlike wireline LECs, wireless carriers cannot charge for switched access service themselves. In recent years, some wireless carriers have sent 8YY traffic to "traffic aggregators" who in turn send it to wireline LECs and other access providers that *can* and do charge for switched access services. Hypercube and Inteliquent (formerly Neutral Tandem) are two prominent examples in the industry of access providers that aggregate 8YY traffic. They may provide tandem switching and some transport, and then hand off the traffic to the carriers that actually provide 8YY service, like AT&T Corp. The access providers/call aggregators then charge AT&T Corp. for originating switched access services. Based on my experience in the industry, I am aware that the access providers will share the access revenues with the wireless carriers whose end users actually originate the traffic (or otherwise compensate them), as an incentive for them to join the aggregation arrangement.

Like Hypercube and Inteliquent, Complainants here have increased their access volume by handling aggregated wireless 8YY traffic and assessing originating switched access

charges on 8YY providers. The difference is that Hypercube and Inteliquent charge rates on this 8YY traffic that comply with federal law, while Complainants improperly bill for the traffic at unlawfully high rates.

Q. COULD YOU PLEASE SHOW US HOW COMPLAINANTS ARE INVOLVED IN CARRYING WIRELESS-ORIGINATED 8YY CALLS?

A. Yes. Based on my analysis of Complainants' bills, my understanding of the industry and its key players, and my review of Complainants' pleadings in the FCC informal complaint proceeding, the 8YY traffic in dispute follows a complicated, circuitous path. Schedule JH-3 to my testimony provides a graphic illustration. The steps are as follows:

1. An end user who buys wireless service makes an 8YY call to a business served by AT&T Corp.
2. The end user's wireless carrier routes the call to a traffic aggregator (in this case, Incomm, as I discuss further below).
3. Incomm routes the call to one or more intermediate carriers that, at GLC's direction, take the call to LECMI in Southfield.
4. LECMI receives the 8YY aggregated traffic in Southfield and hands it off to GLC there.
5. GLC then transports the call from Southfield to Westphalia (where its tandem switch is located), and charges AT&T Corp. for 83 miles of switched access transport service.
6. GLC hands the call off to WTC in the Westphalia exchange where GLC's tandem switch is located.

7. WTC carries the aggregated 8YY traffic from the exchange boundary of the Westphalia exchange to GLC's tandem switch. This distance is less than 1 mile.
8. GLC (or some related company) performs an 8YY database dip to identify the carrier providing the 8YY service on that particular call (*e.g.*, AT&T Corp.), and GLC's switch directs the call to that carrier.
9. For calls going to AT&T Corp. end users, AT&T Corp. accepts the call at the Westphalia tandem and transports the call to its "point of presence" in Grand Rapids over dedicated transport facilities leased from GLC between Westphalia and Grand Rapids.
10. In Grand Rapids, the call enters AT&T Corp.'s network and is transported to locations across the country for termination to the 8YY toll-free customer.

Q. WHAT ACCESS CHARGES DO COMPLAINANTS ASSESS ON AT&T CORP. FOR THIS CIRCUITOUS ARRANGEMENT?

- A. Complainants are charging AT&T Corp. for the following services, at the following rates, that are allegedly performed by the following carriers (database query charges not included):

CARRIER	ACCESS FUNCTION BILLED	RATE
WTC	Tandem Switched Facility	\$ 0.000418 per mile (for 1 mile)
GLC	Tandem Switched Facility	\$ 0.000418 per mile (for 82 miles)
GLC	Tandem Switched Termination Transport	\$ 0.002171
GLC	Tandem Switching	\$ 0.005476

293 Until early 2013, almost all of the disputed charges were billed by WTC, although as I
294 discuss below it appears that WTC's bills included charges for services that may have
295 been provided by GLC. I discuss the problems with these charges in more detail in
296 Sections III.A-III.B below. I then calculate the overall dollar impact of Complainants'
297 improper practices, and the refunds requested by AT&T Corp., in Section IV below.

298
299 **Q. WHICH WIRELESS CARRIERS ARE ORIGINATING THESE CALLS?**

300 A. Until March 2014, Cricket Wireless was the main originating wireless carrier. In March,
301 2014, Cricket was acquired by AT&T Corp.'s parent company, AT&T Inc., and the flow
302 of wireless 8YY traffic from Cricket through Complainants ceased. As you can see from
303 Schedule JH-2, Complainants' switched access billings to AT&T Corp. dropped sharply
304 in March, 2014.

305
306 **Q. DID THE DROP IN WIRELESS 8YY TRAFFIC SOLVE THE PROBLEM?**

307 A. No. As I described above, the 8YY traffic was only part of the problem. It caused
308 increases in volume that brought the issue to AT&T Corp.'s attention. But the underlying
309 issue is Complainants' application of high, rural rates (and very large transport charges)
310 to non-rural CLEC traffic. That practice began before the aggregation of Cricket 8YY
311 traffic, and it has continued even after Complainants' aggregation of Cricket 8YY traffic
312 ceased.

313
314 Further, almost immediately after the aggregation of Cricket traffic stopped in March
315 2014, Complainants began billing AT&T Corp. for a significant amount of new traffic.

Based on Complainants' bills, it appears that the traffic comes from a Chicago switch assigned to a competitive LEC called "Peerless" that operates in Michigan and Illinois. Complainants' bills for the Peerless traffic include charges for GLC's tandem switch in Westphalia, and state that GLC delivers the traffic to AT&T Corp. in Grand Rapids. GLC's switched access charges for the Peerless traffic, however, do *not* include any transport charges; they consist only of tandem switching charges, albeit at excessive rates. The ultimate source of the Peerless traffic may be a wireless carrier or carriers. Of course, AT&T Corp. is on the outside of Complainants' arrangement looking in, so we do not know the full scope of the arrangement or all the participants. We hope to learn more of the facts through discovery. But one thing we do know is that no matter where the Peerless traffic comes from, GLC should not be charging AT&T Corp. for non-rural traffic from Chicago at high rates that would only be appropriate, if ever, for rural Michigan.

Q. WHO IS "AGGREGATING" THE TRAFFIC FROM WIRELESS CARRIERS AND DELIVERING IT TO COMPLAINANTS?

A. Based on our investigation to date, it appears that a company called InComm (or its affiliate, U.S. South, Communications, Inc.) is the principal carrier "aggregating" the traffic. InComm is based in Atlanta, Georgia, and it provides prepaid product and transaction services. See <http://www.incomm.com/> and <http://www.us-south.net/>. However, it appears that InComm does not send traffic directly to Complainants and does not deal with them directly. Rather, it sends the 8YY traffic to one or more intermediate carriers, and at some point the intermediaries hand off the traffic to Complainants. I am

not yet sure who those intermediaries are. Again, AT&T Corp. needs discovery to learn the full details of Complainants' traffic stimulation arrangements.

Q. ARE THE WIRELESS CARRIERS, OR THE AGGREGATORS, SHARING IN COMPLAINANTS' ACCESS CHARGES?

A. Based on my experience in the industry, I am aware that the LECs billing access charges in these arrangements often enter into agreements to pay the traffic aggregators for the traffic and thereby share the LECs' access revenues. The aggregators, in turn, pay the wireless carriers whose end users originate the traffic. These payments clearly provide the incentive for the wireless carriers and aggregators to participate in this arrangement. With respect to the traffic originated by Cricket, Cricket was paid by InComm for the 8YY traffic, and InComm in turn was paid by one or more of the intermediate carriers that deal with Complainants. It stands to reason that those intermediaries would in turn have been paid by Complainants. But again, at this stage, we do not know all the details of Complainants' arrangement. We intend to take discovery from Complainants so that they divulge all the contracts or informal agreements that are related to their arrangements.

Q. WHEN DID AT&T CORP. FIRST REFUSE TO PAY A PORTION OF COMPLAINANTS' BILLS?

A. AT&T Corp. began to withhold a portion of Complainants' bills (reflecting the improper charges for non-rural CLEC traffic, wireless 8YY traffic, and excessive mileage) beginning with their bills for February 2013 usage. AT&T Corp. concurrently raised

these issues with Complainants in a March, 2013 dispute letter to WTC and GLC. I attach a copy of that letter as Schedule JH-4.

However, Complainants were issuing improper bills for some time before AT&T Corp. discovered the problem in early 2013. AT&T Corp. contests Complainants' bills going back to February 2010. As Schedule JH-2 shows, Complainants' switched access volumes began to increase then, but it took more time for the full increase to be realized. It took some time after that for AT&T Corp. to realize that Complainants' billing increases were the result of improper rates, mileage, and aggregation practices, rather than normal business expansion or fluctuations in volume. In part, this is because AT&T Corp. operates nationwide and has to review and assess switched access charges from a large number of companies. Thus, between February 2010 and February 2013, AT&T Corp. paid Complainants' bills, without realizing that a substantial portion of those bills was improper. AT&T Corp. accordingly seeks a refund of the excessive charges it paid between February 2010 and February 2013.

Q. WHAT OTHER PROCEEDINGS ARE CURRENTLY PENDING ON THIS DISPUTE?

A. Overall, a substantial majority of the disputed charges relate to interstate calls. Accordingly, AT&T Corp. filed an informal complaint against Complainants with the FCC in April 2014, seeking (i) a refund of improper charges that AT&T Corp. paid and (ii) an order directing Complainants to stop improper billing going forward. A copy of that complaint is attached as Schedule JH-5 hereto. Several other leading IXCs –

Verizon, Sprint, and CenturyLink – have also brought their own informal complaint at the FCC complaining about Complainants’ charges for the same reason. I attach a copy of their FCC complaint as Schedule JH-6 hereto. Because most of the traffic at issue is interstate traffic, and because Michigan access rates mirror federal access rates, AT&T Corp. is asking the Commission to defer proceedings on the intrastate portion of the parties’ dispute until the FCC rules on the interstate side.

In addition, there is a new MPSC proceeding that addresses this same dispute. In MPSC Case No. U-17660, GLC and WTC allege that three other IXC’s have objected to paying their switched access rates. These IXC’s are Level 3 Communications, Global Crossing Local Services, Inc, and Wiltel Communications.

A. GLC’S ACCESS RATES ARE EXCESSIVE AND UNREASONABLE

Q. GLC AND WTC CLAIM THAT AT&T CORP. OWES THEM FOR SWITCHED ACCESS CHARGES ASSESSED SINCE FEBRUARY 2013. HOW DO YOU RESPOND?

A. AT&T Corp. does not owe Complainants anything. It has already paid more than the appropriate amount of their bills. The remaining amounts claimed by Complainants are based on their unreasonably high rates, including inappropriate transport mileage charges. In reality, Complainants owe AT&T Corp. a substantial amount as a refund of improper charges that AT&T paid *before* February, 2013, when AT&T began to refuse payment on a portion of Complainants’ billings. Further, Complainants likely owe AT&T Corp. an additional refund for the period *after* February 2013, because the amount that AT&T

Corp. withheld after February 2013 was based on conservative assumptions that understated the amount due to AT&T Corp. Further investigation will assist AT&T Corp. in showing that additional amounts are due.

Q. WHY DOES AT&T CORP. DISPUTE GLC's CHARGES?

A. GLC's access rates are excessive and unreasonable. This is because they greatly exceed the rates charged by the incumbent LEC with which GLC competes: AT&T Michigan. GLC's intrastate switched access rates are higher than the corresponding per-minute rates that would be charged by AT&T Michigan for the same access service – by a multiple of more than 30 times.

Q. WHY DO YOU COMPARE GLC's RATES TO THOSE OF AT&T MICHIGAN?

A. AT&T Corp. explains the relevant legal rules in its Counterclaims. Briefly, Michigan law requires a carrier's intrastate switched access rates to be equal to or less than its corresponding interstate rates, and in turn federal law "caps" a CLEC's interstate switched access rates at the levels charged by the incumbent LEC with which that carrier competes. GLC is a CLEC for purposes of the federal rules. Further, it is carrying traffic originated by non-rural CLECs like LECMI that are also subject to the federal caps.

In addition, federal law has rules governing the artificial stimulation of access volumes. Those rules also use an incumbent LEC's rates as a "cap" on a competing carrier's interstate switched access rates if traffic volume increases by levels specified by the FCC. Because Complainants have artificially inflated their traffic volumes, the access

stimulation rules provide an independent reason for capping Complainants' rates at the levels of the relevant incumbent LEC.

Finally, federal law also prevents carriers from imposing excessive mileage charges through arrangements that are designed to inflate a LEC's transport mileage and that do not provide some corresponding benefit to the IXC or to callers.

Q. WHAT IS THE FACTUAL BASIS FOR AT&T CORP.'S POSITION THAT GLC HAS ENGAGED IN ACCESS STIMULATION?

A. My understanding is that the FCC's rule has two triggers, and if a carrier meets either one it is presumed to be subject to the FCC's rule on access stimulation. One of these is that a LEC has "has had more than a 100 percent growth in interstate originating and/or terminating switched access minutes of use in a month compared to the same month in the preceding year." 47 C.F.R. § 61.3(bbb)(1)(ii). Complainants satisfy this condition. As I explained above, AT&T Corp.'s records show that the volumes of traffic coming through the LECMI switch in Southfield, Michigan increased dramatically over time. This interstate data is attached as Exhibit B to AT&T Corp.'s informal FCC complaint, Schedule JH-5. Since the end of 2011, when the FCC's access stimulation rules became effective, the volume of interstate access minutes of use between AT&T Corp. and this switch increased by 170 percent between May, 2011 (7.46 million MOUs) and May, 2012 (20.13 million MOUs); it increased by 123 percent between June, 2011 (8.63 million MOUs) and June, 2012 (19.20 million MOUs). Both these increases are enough to satisfy the FCC's volume trigger.

454

455 **Q. WHY DOES AT&T CORP. BELIEVE THAT, IN ADDITION TO**
456 **ARTIFICIALLY STIMULATING TRAFFIC VOLUME, GLC IS CHARGING**
457 **FOR EXCESSIVE TRANSPORT MILEAGE?**

458 A. This is self-evident from the circuitous nature of GLC's routing arrangement. Instead of
459 receiving the calls at a point somewhere near an AT&T Corp. point of presence ("POP"),
460 and then delivering them to AT&T Corp. somewhere close by, GLC picks up CLEC and
461 wireless 8YY traffic from the LECMI switch in Southfield and transports that traffic over
462 83 miles to Westphalia. There, GLC hands the calls to WTC, which transports them to
463 GLC's tandem in Westphalia. Under this arrangement, GLC assesses transport charges
464 based on 83 miles of transport service. It is as if you wanted to fly from Chicago to
465 Lansing and take a taxi from the airport to your home in Lansing, but were instead forced
466 to fly into Detroit Metro airport, pick up a taxi there, and ride all the way to your house in
467 Lansing so the taxi service can maximize its charges.

468

469 **Q. DOES GLC's CIRCUITOUS ROUTING ARRANGEMENT RESULT IN ANY**
470 **BENEFITS TO AT&T CORP.?**

471 A. None whatsoever. As I stated earlier, the CLEC and 8YY traffic have no particular
472 connection to Complainants or rural Michigan. The traffic originated by the CLECs is
473 originated in non-rural Michigan, and AT&T Corp. could easily pick up the traffic from
474 AT&T Michigan's tandem switches in non-rural Michigan. The wireless 8YY traffic is
475 even further afield, originated by end users of wireless carriers at locations all over the
476 country. AT&T Corp. has numerous POPs, throughout the United States, where it could

pick up the wireless traffic. Many of those POPs are located much closer to LEC end offices and tandem offices, so the transport mileage would be much shorter than 80 miles, and in many cases less than 1 mile. Many of those POPs are also located in areas served by LECs with access rates that are much lower than GLC's and WTC's rates. If Complainants had not entered into this artificial aggregation and routing arrangement, AT&T Corp. would have simply picked up the same traffic from another switched access provider at a much lower rate. AT&T Corp., the calling party, and the 8YY customer do not receive any benefit from Complainants' routing.

Further, Complainants' arrangement did not result in any overall increase in AT&T Corp.'s 8YY traffic, so it does not result in any increase in 8YY revenue. The end users making the 8YY calls are simply trying to call the 8YY business customer, and would not know or care about the intermediate arrangements involving wireless carriers, aggregators and Complainants in between them and their desired destination. Thus, they would make the same 8YY calls whether or not Complainants inserted themselves into the call flow. From AT&T Corp.'s perspective, Complainants' routing arrangement has only one effect – to artificially drive up access costs. It provides no benefits to AT&T Corp., and is in fact a detriment.

Q. CONSIDERING GLC'S RATE STRUCTURE AND ITS ARTIFICIAL STIMULATION OF ACCESS MINUTES AND TRANSPORT MILEAGE, HOW DO GLC'S ACCESS RATES COMPARE TO THOSE OF AT&T MICHIGAN?

499 A. GLC's overall per-minute rates for originating switched access service are some 30 times
500 the per-minute rates that AT&T Michigan would charge for the same service. Looking at
501 the transport element alone, GLC's inefficient 83-mile runaround results in per-minute
502 transport charges that are over 300 times the per-minute rate AT&T Michigan would
503 charge for transport (based on the 7-mile distance between the LECMI switch in
504 Southfield and the AT&T Michigan switch in West Bloomfield). I provide a detailed
505 comparison of GLC's rates versus AT&T Michigan's rates at Schedule JH-7.

506
507 **B. WTC'S TRANSPORT CHARGES VIOLATE ITS TARIFF**

508 **Q. WHAT IS AT&T CORP.'S BASIS FOR DISPUTING WTC'S ACCESS**
509 **CHARGES?**

510 A. WTC has billed AT&T Corp. for 83 miles of transport facilities. Complainants have not
511 been clear as to who actually provided the 83 miles of transport. The bills submitted by
512 WTC before May 2013 indicate that WTC provided the service. It is also possible that
513 WTC may have billed AT&T for transport service that was actually provided by GLC.
514 But as I explained in Section III.A above, GLC cannot properly charge for 83 miles of
515 transport, because GLC inefficiently routed the traffic in a roundabout manner to inflate
516 its mileage charges. GLC's use of WTC as a billing agent is irrelevant. Whichever
517 company put its name on the bills, GLC's charges were improper.

518
519 To the extent WTC provided the transport itself, its charges would still be unlawful.
520 WTC has adopted the tariff issued by the National Exchange Carriers Association, and
521 the NECA allows it to collect transport charges only for transport within its Local Access

Transport Area (“LATA”). The title page of the NECA tariff expressly limits the area in which the access service (including transport) may be provided, stating that the tariff governs “the provision of Access Services *within a Local Access and Transport Area (LATA) or equivalent Market Area.*”¹ Further, Section 6.1 of the tariff states that “Switched Access Service provides for the ability to originate calls from an end user’s premises to a customer designated premises, and to terminate calls from a customer designated premises to an end user’s premises *in the LATA where it is provided.*” The transport service disputed by AT&T Corp. runs between Southfield and Westphalia. Southfield is in LATA 340, whereas Westphalia is in LATA 344. Therefore, transport between these two points is an interLATA service that is not covered by WTC’s tariff.

Q. WHY DO YOU SAY THAT THE TRANSPORT SERVICE MAY ACTUALLY HAVE BEEN PROVIDED BY GLC RATHER THAN WTC?

A. AT&T Corp. complained about WTC’s billings in early 2013, and reminded WTC that it could not charge for interLATA transport. Starting in May 2013, WTC’s bills said that the 83 miles of transport facilities were being billed on behalf of GLC. It is possible that the transport charges were billed on GLC’s behalf all along, and WTC just started telling us so in May 2013. It is also possible that the transport charges were really billed on behalf of WTC itself, and that WTC tried to “shift” the charges to GLC on its bills because it realized that WTC could not lawfully bill for interLATA transport. In the end,

¹ NECA Tariff, FCC No. 5, Original Title Page 1, Access Service (emphasis added).

it doesn't matter because neither GLC nor WTC could lawfully bill for these excessive transport charges.

IV. DETERMINATION OF REFUND AMOUNT REQUIRED

Q. HAVE YOU CALCULATED THE REFUND AMOUNTS THAT COMPLAINANTS OWE TO AT&T CORP.?

A. Yes. The amount of the refund that AT&T Corp. seeks is \$3,683,025. Schedule JH-8 show the detailed calculation of that refund. As you can see, at this point all of the refund is assigned to WTC, because the overbillings all came from WTC and all the payments were from AT&T Corp. to WTC.

Q. PLEASE EXPLAIN YOUR STARTING POINT FOR DETERMINING THESE AMOUNTS.

A. I started by reviewing Complainants' access bills covering usage from February 2010 through January 2013 (the latest bill before AT&T Corp. began to withhold the unlawful portion of the amounts billed). As I discussed earlier, the bills came from WTC, and those billed stated that WTC was the provider of the service, and AT&T Corp. paid WTC alone. If it turns out that GLC provided the service that was billed by WTC, then GLC would be responsible for the refund. AT&T Corp. is indifferent to which affiliate pays the refund, so long as it is compensated.

Q. PLEASE EXPLAIN HOW YOU DETERMINED THE REFUND AMOUNT DUE.

564 A. As I described above, the central problems with Complainants' charges are (i) they are
565 based on excessive, unreasonable per-minute rates that should have been "capped" at the
566 level of AT&T Michigan's rates, and (ii) they include excessive transport mileage
567 charges that reflect Complainants' inefficient routing scheme. To correct these problems,
568 I took the originating access minutes and reduced the per-minute rates used in the bills to
569 the levels that Complainants should have charged: AT&T Michigan's per-minute rates.
570 Similarly, for the transport mileage portion of these charges, I replaced GLC/WTC's
571 excessive 83 miles of transport facilities (from the LECMI switch in Southfield to the
572 GLC tandem in Westphalia) with a mileage charge based on 7 miles of transport
573 facilities. The latter represents the mileage AT&T Michigan would have used for
574 transporting calls from the LECMI switch in Southfield to the AT&T Michigan tandem
575 in West Bloomfield. By comparing the amounts WTC should have charged (using
576 AT&T Michigan's rates and transport mileage) to the amounts on the bills, I determined
577 the total amount by which WTC overcharged AT&T Corp. through January 2013.

578
579 **Q. IS THERE ANY REFUND DUE TO AT&T CORP. FOR CHARGES AFTER**
580 **JANUARY 2013?**

581 A. I expect there is. Beginning with February 2013 usage, AT&T Corp. started disputing
582 and withholding part of Complainants' bills. However, the amount withheld was based
583 on a preliminary and very conservative (understated) view of the amount due. Thus, it is
584 likely that further investigation will show additional amounts due to AT&T Corp. for the
585 period after January 2013.

587 V. CONCLUSION

588 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

589 A. Yes, it does.

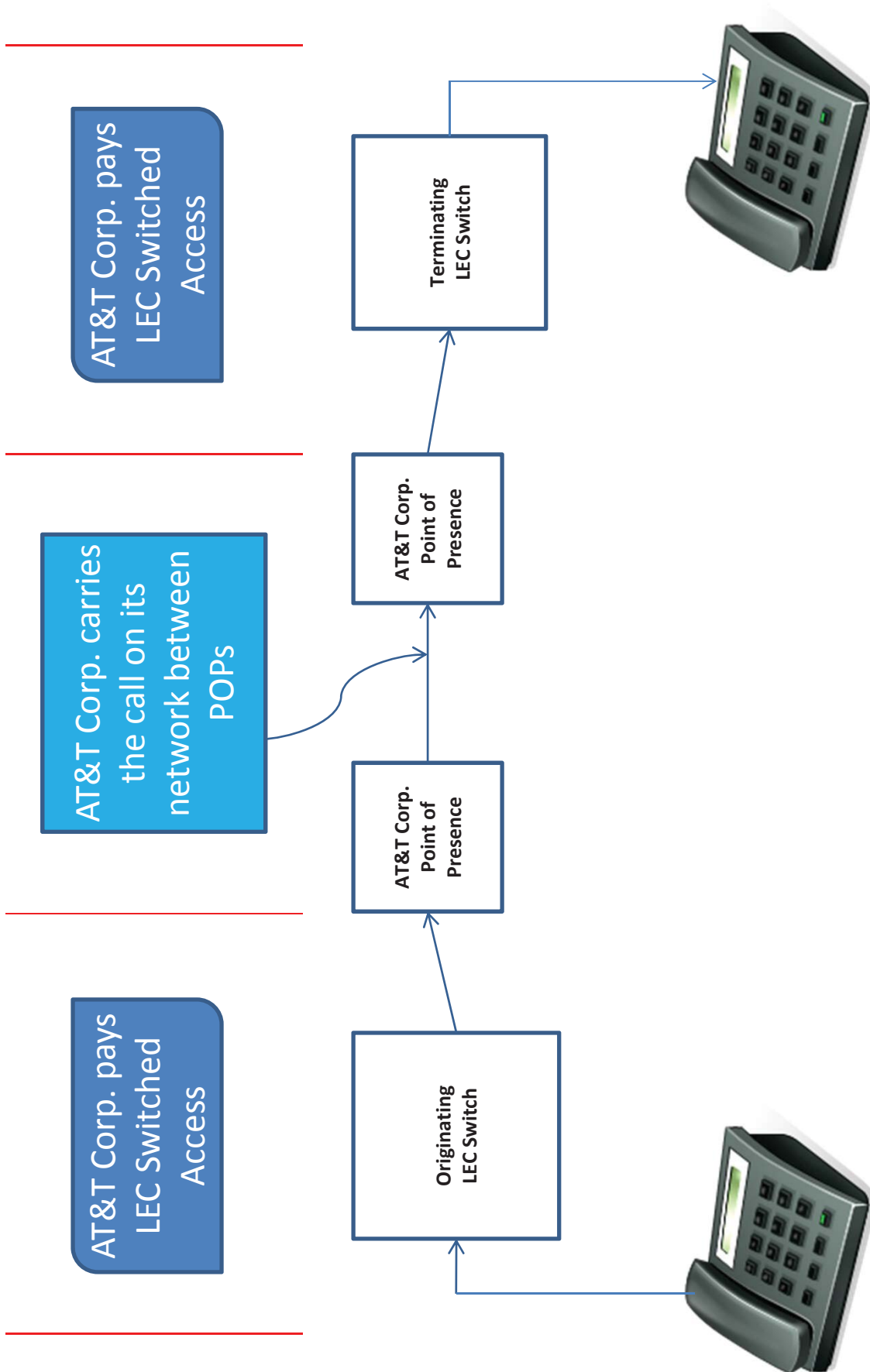
PUBLIC VERSION

Case No. U-17619

**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-1

Switched Access Call Flow



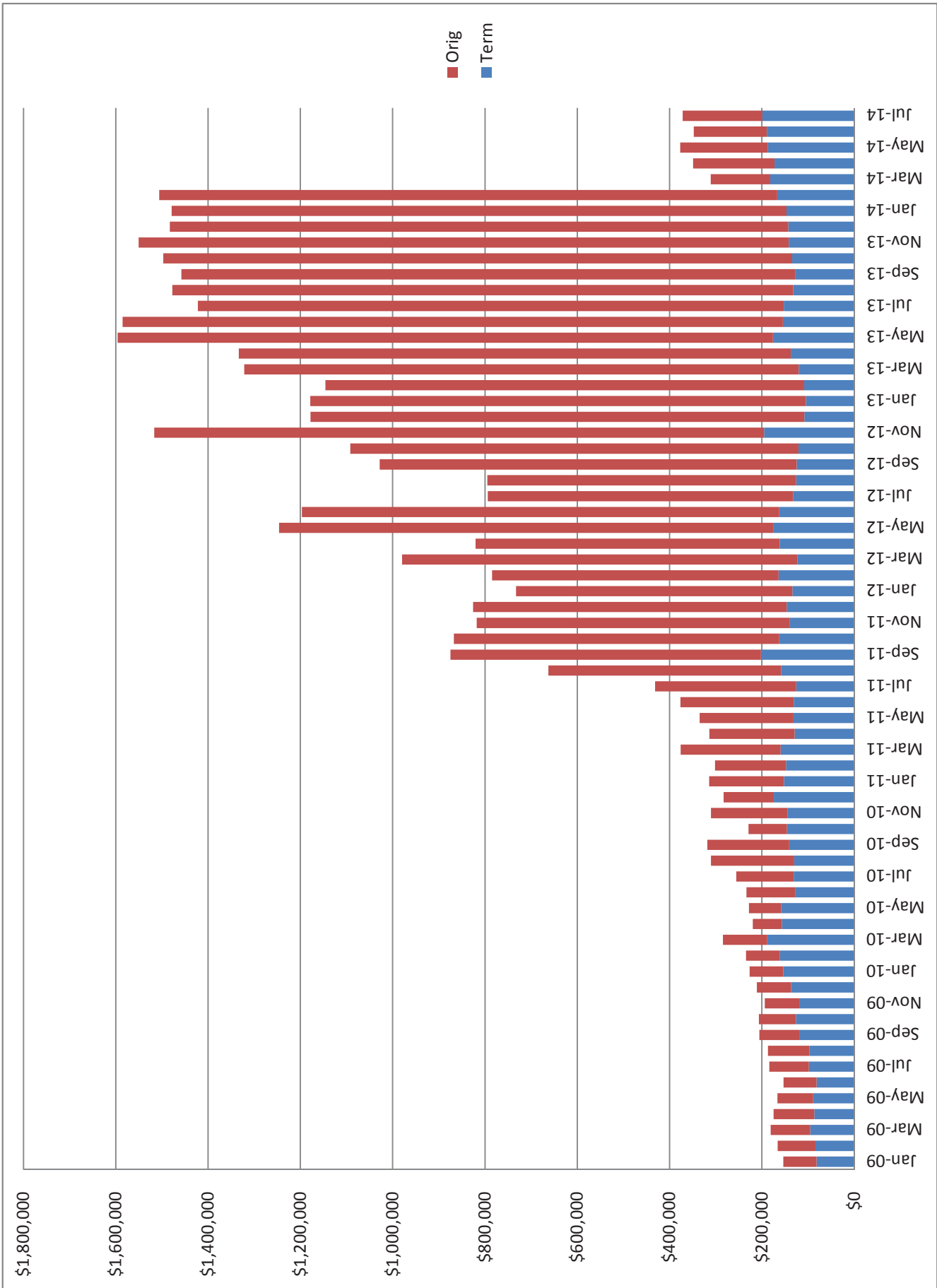
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Case No. U-17619

**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-2

Increase in Complainants' Switched Access Billing



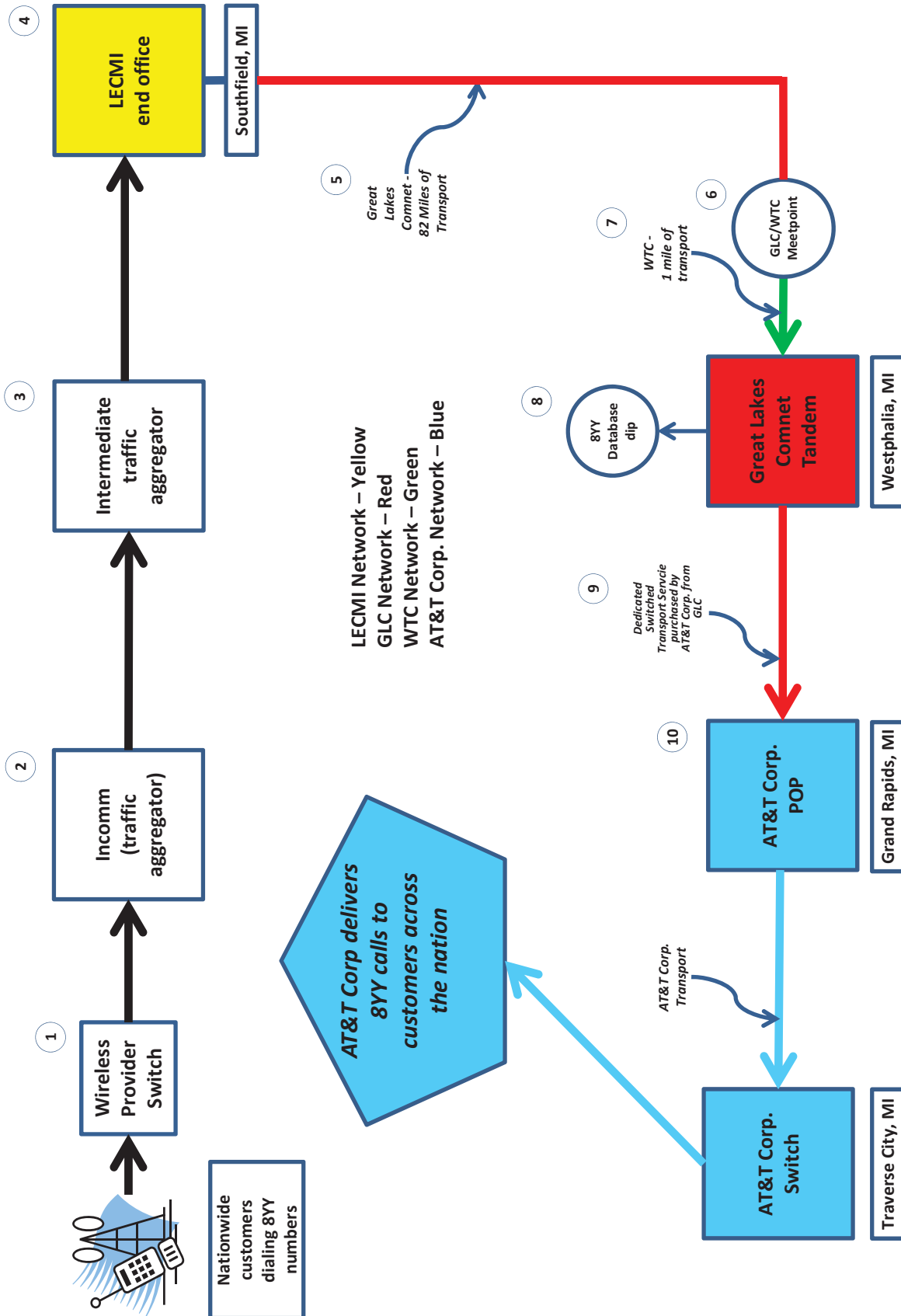
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**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-3

8YY Call Flow Diagram



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**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-4



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U-17619 AT&T Corp.
Habiak Direct Schedule JH-4

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March 20, 2013

Via Overnight Delivery and
Electronic Mail

John Lodden, Vice President
James Kandler
123.Net, Inc. dba Local Exchange Carriers of Michigan, Inc.
24275 Northwestern Hwy., Suite 100
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Tina Wieber
Westphalia Telephone Company
P. O. Box 368
109 East Main Street
Westphalia, Michigan 48894
tina.wieber@4wbi.net

RE: Access Billing to AT&T

Dear Mr. Lodden, Mr. Kandler and Ms. Wieber:

It has come to AT&T's attention that both Local Exchange Carriers of Michigan, Inc. ("LECMI") and Westphalia Telephone Company (OCN 0735) ("Westphalia") appear to be engaged in an unreasonable practice designed to inflate the originating and terminating access rates AT&T is assessed by Westphalia, both as an intermediate carrier for traffic transiting its network, and on behalf of LECMI. As a result of this practice, AT&T has determined that Westphalia's billing is inconsistent with both its own tariff and the Telecommunications Act, including rules issued by the Federal Communications Commission. Given these circumstances, AT&T has begun partially withholding payment on invoices (BAN ATX344FGD0735) issued by Westphalia, and further disputes past payments of inappropriate charges.

A review of Westphalia's invoices indicate that Westphalia is billing AT&T eighty-three (83) miles of transport for calls originating/terminating with end users of LECMI, in addition to local transport of varying amounts on behalf of LECMI. The LECMI end users are located in LATAs 340, 342, 344, 346 and 348, for which Westphalia provides intermediate switched access services, including Tandem switching performed at the Great Lakes Comnet tandem switch located in LATA 344 and Tandem transport in both LATA 340 and LATA 344, where the traffic is handed off to AT&T.

As an initial issue, Section 6.1 of the NECA tariff¹ sets forth the definition of Switched Access Service for which Westphalia can charge its IXC customers. Specifically, the tariff states:

Switched Access Service provides the ability to originate calls from an end user's premises to a customer designated premises, and to terminate calls from a customer designated premises to an end user's premises *in the LATA where it is provided*.

Under the terms of this tariff, Westphalia cannot charge AT&T for services provided outside of the LATA in which its end users are located. In this case, since Westphalia has provided service as an intermediate carrier between the local exchange carrier serving the end user in another LATA and AT&T's premise in a third LATA, it would be impermissible for Westphalia to charge AT&T for any mileage associated with the provision of the tandem switching function.²

Additionally, LECMI's network configuration and choice of tandem providers, in conjunction with Westphalia's services for transport to the Great Lakes Comnet tandem location, improperly impacts the billing to AT&T in at least two respects: (1) Westphalia's billing on behalf of LECMI for local transport as well as its own local transport is significantly higher than the local transport costs AT&T would incur if LECMI was homed to tandems within the LATAs in which it provides service to its end users rather than the Great Lakes Comnet tandem; and (2) the rate billed for interstate Tandem Switching on the Great Lakes Comnet tandem is higher than AT&T would likely pay alternative tandem providers within the LATAs in which LECMI's end users originate or receive long distance calls from AT&T's IXC customers.

AT&T believes that both these practices are inappropriate. Section 201(b) of the Telecommunications Act requires that "[a]ll charges, practices, classifications, and regulations for and in connection with [interstate] communication service, shall be just and reasonable."³ In this case, there is simply no rational argument that charges based on the inefficient routing of traffic to the Great Lakes Comnet tandem instead of a tandem provider located within the individual LATAs in which LECMI operates and where the call originates or terminates, could be viewed as "just and reasonable." This is particularly true since this inefficient routing provides no additional benefit to AT&T or its customers, but instead merely provides an opportunity to increase revenues for LECMI, Great Lakes Comnet and Westphalia.

Finally, Westphalia appears to be billing the incorrect rate for the interstate tandem services provided by Great Lakes Comnet. It is AT&T's position that under the FCC's rules, Great Lake Comnet's provision of the alternative tandem services fits squarely into a rule's definition of "CLEC" as a local exchange carrier "that provides some or all of the interstate exchange access services used to send traffic to and from an end user and does not fall within the definition of

¹ Westphalia Telephone Company is listed as an Issuing Carrier in the National Exchange Carrier Association, Inc ("NECA") F.C.C. Tariff No. 5. Westphalia Telephone Company also concurs in the Michigan Exchange Carriers Association, Inc. Michigan Public Service Commission Tariff No 25, which adopts the language of Section 6.1 of the NECA tariff.

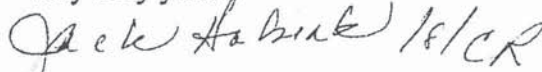
² AT&T is also puzzled by Westphalia's charges for tandem switching under its own OCN, since the tandem switch appears to be owned and operated by Great Lakes Comnet.

³ 47 U.S.C. §201(b).

'incumbent local exchange carrier . . .'⁴ Therefore, since Great Lakes Comnet is simply providing a comparable alternative to that provided by AT&T/Ameritech in LATA 344, it, and in turn Westphalia, is prohibited from charging in excess of the rate charged by AT&T/Ameritech for the same function.

If you have additional questions or would like to discuss this matter, please contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jack Habiak /s/CR".

Jack Habiak

cc: Harvey Sell
Deborah S. Waldbaum
Jack Habiak

⁴ 47 C.F.R. §61.26(a)(1).

PUBLIC VERSION

Case No. U-17619

**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-5



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**U-17619 AT&T Corp.
Habiak Direct Schedule JH-5**

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FOUNDED 1866

April 4, 2014

Ms. Rosemary McEnery
Chief, Market Disputes Resolution Division
Enforcement Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: **Informal Complaint of AT&T against Local Exchange Carriers of Michigan, Inc., Great Lakes Comnet, Inc., and Westphalia Telephone Co.**

Dear Ms. McEnery:

AT&T Services Inc., on behalf of itself and its operating affiliates (“AT&T”), pursuant to Section 1.716 to Section 1.718 of the Commission’s rules, 47 C.F.R. §§ 1.716-1.718, is hereby filing an informal complaint against Local Exchange Carriers of Michigan, Inc. (“LEC-MI”), Great Lakes Comnet, Inc. (“GLC”), and Westphalia Telephone Co. (“Westphalia”), collectively referred to as the “Defendants.”

I. INTRODUCTION AND REQUEST FOR RELIEF

The three Defendants are operating an unlawful scheme to overcharge AT&T and other long distance carriers for switched access services. The traffic at issue is access stimulated traffic, which originates from one or more wireless carrier’s national customers to toll-free, or “8YY,” numbers. The Defendants aggregate the traffic in suburban Detroit and then haul it over 80 miles, to a location northwest of Lansing, Michigan, just so they can bill AT&T nearly 3.5 cents of tandem transport charges on each minute of use (along with other tandem-related charges). One of the Defendants (LEC-MI) also bills AT&T end office switching charges, even though the calls originate with a wireless carrier and not with the Defendant’s own end users – and even though at least one other access customer receives a rebate of these (unlawful) charges.

All told, the three Defendants charge AT&T about 4.6 cents of switched access charges for each minute of every call originated to the toll-free numbers, plus a database dip charge of 0.55 cents on each call. By contrast, if this access stimulated traffic were aggregated in suburban Detroit, handed off to the nearest tandem switch, and then properly billed according to the Commission’s rules, the lawful charges would be about 0.1293 cents per minute, plus a



Ms. Rosemary McEnery
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Page 2

reasonable database dip charge. In other words, the Defendants' per minute charges are inflated by more than 35 times the lawful rate.

This scheme as carried out by the Defendants is patently unreasonable, and it violates the Commission's access charge rules in numerous respects, as set forth in more detail below. Among other violations, the two Defendants operating as competitive local exchange carriers ("CLECs") have filed a tariff pursuant to the Commission's "rural" exemption. But under the Commission's narrow definition of a "rural" CLEC, the Defendant CLECs are not "rural" and are not entitled to tariff or bill pursuant to the rural exemption. In fact, one Defendant CLEC (LEC-MI) has facilities in suburban Detroit and the other (GLC) operates (among other urban areas) across the street from Chicago's McCormick Place, the nation's largest convention center. The Defendants have also failed to file revised tariffs on a timely basis, as required by the Commission's access stimulation rules – even though, based on AT&T's analysis, the amount of traffic that they have billed AT&T surpassed the 100% growth trigger that creates a presumption of revenue sharing and thus access stimulation. In addition, the end office charges that AT&T is billed by one of the Defendants (LEC-MI) are plainly unlawful, because it has been established since 2004 that LECs cannot bill such charges for traffic that does not originate or terminate with their own end users. Those charges also plainly violate LEC-MI's tariff.

Further, and even if the Defendants billed only the appropriate rate elements at the prices required by the Commission's rules, their circuitous routing (and resulting inflated billing) of the traffic would be an unreasonable practice under Section 201(b) of the Act. There is simply no reason why long distance carriers and their customers should pay the extra cost for the unnecessary step of hauling this traffic over 80 miles across Michigan. The Commission has recently prohibited a similar "mileage-pumping" scheme, and, as in that case, the additional transport charges billed by GLC/Westphalia provide no benefits to customers but only result in an increase in their costs.¹

Indeed, the Defendants' entire arrangement is nothing more than an unlawful "sham" that is designed to evade Commission regulations and to collect inflated access revenues that no Defendant could lawfully assess individually. Two of the three Defendants – the affiliated companies Westphalia and its parent, GLC – play an entirely superfluous role in the call routing, because LEC-MI could hand the traffic off to a nearby tandem provider rather than have GLC-Westphalia haul it over 80 miles.

In short, the Defendants' routing and billing practices plainly violate the Commission's rules and the Communications Act. The Defendants should therefore (i) refund amounts they

¹ *AT&T Corp. v. Alpine Commc'ns, et al.*, 27 FCC Rcd. 11513, ¶¶ 44-48 (2012), *recon. denied*, 27 FCC Rcd. 16606 (2012) ("Alpine").



Ms. Rosemary McEnery
April 4, 2014
Page 3

improperly billed and that AT&T paid, (ii) revise their routing practices to end unnecessary “mileage-pumping” and (iii) reduce their rates to comply with the Commission’s rules.

II. FACTUAL BACKGROUND

A. The Defendants

LEC-MI. LEC-MI is a competitive LEC that operates a switch in Southfield, Michigan, a suburb of Detroit. As explained in more detail below, on the calls at issue LEC-MI’s bills to AT&T include end office switching charges, even though the calls at issue are not originated by (or terminated to) any LEC-MI end users, but rather are handed off by a wireless carrier or carriers.

Westphalia. Westphalia is an incumbent LEC that operates in and around Westphalia, Michigan. As described in more detail below, on the calls at issue Westphalia initially billed AT&T for over 80 miles of transport, across LATA boundaries, plus tandem switching. Since May, 2013, Westphalia has billed AT&T about a half-mile of transport, although it is not clear whether any Westphalia facilities ever were or are actually used in the routing of the calls at issue. Westphalia also acts as a billing agent on behalf of the other two Defendants. Westphalia is owned by Clinton County Telephone Company (“CCTC”) and its CEO is Paul Bowman.

GLC. Great Lakes Comnet is nominally a competitive LEC. Its CEO is also Paul Bowman. In 2011, GLC purchased CCTC, and thus Westphalia is owned by GLC. GLC operates a tandem switch in Westphalia, MI, and in this respect it purports to “compete” in the territory of its subsidiary, Westphalia. However, to AT&T’s knowledge, GLC has no end user customers in Westphalia, MI. Since May 2013, GLC’s function with regard to the scheme appears to be to bill (via Westphalia, its billing agent) over 80 miles of transport charges, at \$0.0004180 per mile per minute, which amounts to approximately 3.5 cents per minute.

GLC has filed an interstate access tariff with the Commission, and LEC-MI is an issuing carrier for the tariff. Thus, the terms of their services are governed by that tariff.² Westphalia is a member of NECA and concurs in the NECA tariff.

² The issuing carriers of this tariff have violated Section 61.16 of the Commission’s rules, because they last filed the complete base tariff on January 12, 2012, but since that time they have filed several transmittals revising the tariff without thereafter filing a revised base tariff. *See* 47 C.F.R. § 61.16(b) (“If there have been revisions that became effective up to and including the last day of the preceding month, a new Base Document must be submitted within the first five business days of the current month that will incorporate those revisions.”).



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B. The Calls At Issue And Defendants' Improper Charges

Beginning in or around 2010, the volume of traffic billed by the Defendants to AT&T began to increase significantly. For example, according to AT&T's records, the volume of traffic to and from AT&T through LEC-MI's switch in Southfield in November, 2009 was about 999,000 minutes of use. By May, 2010, it increased to 1.98 million minutes; in May, 2011, it increased to 7.46 million minutes, in May, 2012, it increased to 20.13 million minutes, and in May, 2013, to 24.91 million minutes.

AT&T has since learned that the increase in traffic is related to aggregated 8YY traffic originating from customers of one or more wireless carriers.³ When customers of some wireless carriers place an 8YY call, the wireless carrier, or a provider with which the wireless carrier contracts, arranges for the calls to be handed off to LEC-MI's switch in Southfield, Michigan, near Detroit. Although there are multiple tandem switches within a relatively short distance from Southfield, Michigan, pursuant to the scheme the calls are instead transported over 80 miles to GLC's tandem switch in Westphalia, Michigan. The calls are then handed off to AT&T, which is billed an array of originating access charges by Westphalia on behalf of all three Defendants. Appendix A has maps of the relevant portions of Michigan, showing how the Defendants route the traffic more than 80 miles, across LATA boundaries, when they could use a tandem switch that is within 7 miles of the LEC-MI switch in Southfield.

On these calls, the charges to AT&T include (1) LEC-MI's charges of 0.3594 cents per minute, which include charges for end office switching (0.3116 cents per minute), shared port, and transport termination; (2) GLC's charges of 4.1994 cents per minute, which include 82.17 miles of transport charges, allegedly provided by GLC since May 2013, and billed at \$0.000418 per mile per minute (3.4347 cents per minute), along with a transport termination charge of 0.2171 cents per minute, and a tandem switching charge of 0.5476 cents per minute; and (3) Westphalia's charges of 0.03469 cents per minute, which consist of 0.83 miles of transport charges at \$0.000418 per minute. AT&T is also billed a database dip charge of 0.55 cents per call. In total, for the 8YY calls at issue, the Defendants bill AT&T more than 4.5935 cents per minute for origination, plus the database dip charge.

³ As the Commission is aware, AT&T completed its acquisition of Leap Wireless (operating under the Cricket brand) on March 13, 2014. AT&T confirmed after the completion of the acquisition that a significant amount of the traffic at issue here originated from Cricket. Cricket does not directly terminate traffic to any of the Defendants. Rather, Cricket has arrangements with certain third-party providers to route Cricket's originating 8YY traffic, and it appears that one of these providers has an arrangement with LEC-MI under which it hands off that traffic to that Defendant. Cricket intends to exercise rights it has under the contract with this provider to transition its traffic away from the third-party provider and onto AT&T's network.



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Initially, the bills AT&T received showed that Westphalia, not GLC, was providing tandem switching and 83 miles of tandem transport charges. On March 20, 2013, AT&T wrote to Westphalia and LEC-MI and disputed the charges on several grounds. Among other things, AT&T pointed out that the 83 miles of transport billed by Westphalia crossed LATA boundaries, even though Westphalia's tariff provided that its access services would be provided only in or within a LATA.⁴ AT&T also pointed out that Westphalia was billing AT&T tandem switching charges for a tandem that appeared to be owned and operated by GLC.

Within just a few weeks, AT&T began receiving revised bills for the calls at issue. Beginning with invoices dated May, 2013, GLC began billing both the tandem switching charges and 82.17 miles of tandem transport charges. Westphalia's bills for tandem transport decreased to just 0.83 of a mile. AT&T continued to dispute the charges on multiple grounds, and it withheld payment of certain of the access charges billed by the Defendants.

Initially, AT&T presumed that the end office charges billed by LEC-MI were associated with traffic to and from LEC-MI's own end user customers, *i.e.*, homes and businesses in or near Southfield, Michigan. However, AT&T has since learned that most or all of the end office charges are being billed on calls originated by customers of a wireless carrier or carriers. Because the calls are merely transiting LEC-MI's facilities, and because LEC-MI is not using its switch to place calls onto loops to its end user customers, the end office switching charges are unlawful. Nevertheless, LEC-MI continues to bill AT&T end office switching charges. It does so even though, as AT&T understands it, LEC-MI offers rebates or credits to at least one other access customer for these charges.

III. ARGUMENT

The Defendants' charges for switched access services to AT&T are unlawful in at least five independent respects. *First*, the tandem transport, tandem termination and tandem switching charges now being billed by GLC plainly violate the Commission's CLEC access charge rules because GLC is billing at rates that exceed those of the competing ILEC.⁵

Second, the tandem transport and tandem switching charges billed by Westphalia are improper because Westphalia did not operate the facilities used to provide the services and, in

⁴ See *Alpine*, ¶¶ 31-34 (interpreting same tariff language to bar provision of interLATA transport charges).

⁵ See 47 C.F.R. § 61.26; see also *CLEC Access Charge Reform Order*, 16 FCC Rcd. 9923 (2001), *recon.*, Eighth Report and Order, 19 FCC Rcd. 9108 (2004).



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any event, the 83 miles of tandem transport charges billed prior to May, 2013 improperly crossed LATA boundaries, in violation of Westphalia's tariff.⁶

Third, the Defendants have violated the Commission's access stimulation rules.⁷ According to AT&T's analysis of the minutes billed to AT&T through the LEC-MI switch, the volume of traffic billed to AT&T has increased by more than 100 percent from May, 2011 to May, 2012 (and again from June, 2011 to June, 2012), creating a presumption of a revenue sharing agreement.⁸ Yet, the Defendants did not file revised tariffs on a timely basis to lower their rates to those charged by the lowest-priced price cap LEC in Michigan, as is required by the Commission's rules,.

Fourth, the end office switching charges billed by LEC-MI are improper because LEC-MI does not originate those calls from its own end user customers, but instead (at most) merely transits the traffic from a wireless carrier. Further, LEC-MI's end office charges to AT&T are discriminatory, in violation of Section 202, because it has provided rebates of those charges to at least one other customer, but not to AT&T.

Fifth, although Defendants have clearly violated the Commission's rules, even if they had not, their convoluted routing practices and inflated access charges to AT&T would be unlawful under Section 201(b), which outlaws unjust and unreasonable practices.

A. GLC's Rates Violate The Commission's CLEC Benchmarking Rules Because They Substantially Exceed The Rates Of The Competing ILEC.

Since 2001, in recognition of CLECs' monopoly power over switched access services, the Commission's rules have limited the rates that CLECs can impose on access customers through switched access tariffs. Specifically, the Commission's rules provide that a CLEC "shall not file a tariff for its interstate switched access services" that is above the "rate charged for such services by the competing ILEC." 47 C.F.R. § 61.26(b). A "competing ILEC" is the "incumbent local exchange carrier, as defined in 47 U.S.C. 251(h), that would provide interstate exchange access services, in whole or in part, to the extent those services were not provided by the CLEC." *Id.* § 61.26(a)(2). A CLEC tariff containing rates above those charged by the competing ILEC is void *ab initio*. Because the CLEC was never supposed to file such a tariff in the first instance (or

⁶ NECA Tariff, 4th Revised Title Page 1, § 6.1, 10th Rev. Page 6-1; *Alpine*, ¶¶ 31-34.

⁷ *Connect America Fund Order*, 26 FCC Rcd. 17663 (2011); 47 C.F.R. §§ 61.26(g); 61.3(bbb).

⁸ *Connect America Fund Order*, ¶¶ 675, 699.



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should re-file its tariff once its tariffed rates come out of compliance), the tariff is not lawful when filed and cannot become “deemed lawful” pursuant to 47 U.S.C. § 204(a)(3).⁹

On the calls at issue, GLC, which is a CLEC subject to Rule 61.26, accepts the traffic at LEC-MI’s switch in Southfield, Michigan, transports the traffic 83 miles to its switch in Westphalia, Michigan, and then hands off the calls to IXC’s. If these tandem “services were not provided by [GLC],” 47 C.F.R. § 61.26(a)(2), then the incumbent LEC that would provide these services is AT&T Michigan, which operates a tandem switch that is located about seven miles away from LEC-MI’s Southfield switch. Thus, for the calls at issue, AT&T Michigan is the “competing LEC” under the Commission’s CLEC access charge rules.

AT&T Michigan’s tariffed rate for tandem transport is only \$0.000013 per minute per mile.¹⁰ With seven miles of transport between AT&T Michigan’s tandem switch and LEC-MI’s Southfield switch, the competing ILEC rate for tandem transport on the calls at issue is only \$0.000091 per minute. Indeed, even if it were proper to bill for 83 miles of transport – which it is not – then the lawful charge would be just over one-tenth of a penny (\$0.001079).

GLC’s rates, however, are much higher than AT&T Michigan’s rates. GLC’s tariff provides that its rate for “Tandem Switched Transport” is “the applicable current rate at NECA Tariff F.C.C. No. 5, Section 17.2.2., Premium Access – Tandem Switched Transport.”¹¹ This section of the NECA tariff, in turn, contains two “Rate Bands” for premium tandem switched transport: Rate Band 1, which is \$0.000195 per minute per mile, and Rate Band 2, which is \$0.00418 per minute per mile.¹²

GLC’s tariff does not specify which NECA rate band applies, and thus is vague and ambiguous, in violation of Rules 61.2(a) and 61.25.¹³ However, GLC has billed AT&T using

⁹ See Brief For Amicus Curaie Federal Communications Commission, at 25-28, filed in *PaeTec Commc’ns v. MCI Commc’ns Servs.*, No. 11-2268, et al. (3d Cir., filed March 14, 2012) (“*PaeTec Amicus Brief*”). In that brief, the Commission explained that a “CLEC tariff for interstate switched access services that includes rates in excess of the benchmark in Rule 61.26 is subject to mandatory detariffing. Under that regime, a carrier is *prohibited* from filing a tariff; any attempt to do so would violate the FCC’s rules and render the prohibited tariff *void ab initio*.” *Id.* at 25.

¹⁰ AT&T Tariff F.C.C. No. 2, § 6.9.1(A), 25th Rev. Page 207.1.

¹¹ GLC Tariff F.C.C. No. 20, § 17GLC.2.2, Original Page 17GLC-10.3.

¹² NECA Tariff F.C.C. No. 5, § 17.2.2., 7th Revised Page 17-10.2.1.2 (eff. Jan. 1, 2013).

¹³ 47 C.F.R. § 61.2(a) (“In order to remove all doubt as to their proper application, all tariff publications must contain clear and explicit explanatory statements regarding the rates and regulations”); *id.* § 61.25(c) (when a non-dominant carrier cross-references another carrier’s tariff, the “issuing carrier must specifically identify in its tariff the rates being cross-referenced so as to leave no doubt as to the exact rates that will apply”); see *All American Tel. Co., Tariff F.C.C. No. 3*, 25 FCC Rcd. 5661, ¶ 3 (2010).



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Rate Band 2, at a rate of \$0.00418 per minute per mile. As such, GLC's rates starkly and unambiguously violate the Commission's CLEC access charge rules. GLC's rate of \$0.000418 per minute per mile is more than 30 times higher than the rate of AT&T Michigan, the competing ILEC on the calls at issue. What is more, GLC bills AT&T for 83 miles of transport, and thus the overall GLC tandem transport rate on the calls at issue is \$0.0347 per minute. In short, for the calls at issue, GLC's billed rate for tandem transport is more than 380 times that of the competing ILEC.

A similar conclusion applies to GLC's tandem switching charges. GLC's tariff provides that its rate for "Tandem Switching" is "the applicable current rate at NECA Tariff F.C.C. No. 5, Section 17.2.2., Premium Access – Tandem Switched Transport, Tandem Switching."¹⁴ This section of the NECA tariff, in turn, contains two "Rate Bands" for premium tandem switching: Rate Band 1, which is \$0.002564 per minute, and Rate Band 2, which is \$0.005476 per minute.¹⁵

Again, GLC's tariff does not specify which NECA rate band applies, and thus is vague and ambiguous, in violation of Rules 61.2(a) and 61.25. However, GLC has billed AT&T using Rate Band 2, at a rate of \$0.005476 per minute. As such, GLC's tandem switching rate violates the Commission's CLEC access charge rules. AT&T Michigan's tandem switching rate is \$0.001084.¹⁶ Because GLC's tandem switching rate is more than five times higher than that of the competing ILEC, its tariff is unlawful and void *ab initio*.¹⁷

Ostensibly in an effort to avoid the requirements of the Commission's CLEC access charge rule, GLC's tariff contains a provision stating that all issuing carriers, including GLC, are "rural CLEC[s] under Section 61.26(a)(6)" of the Commission's rules.¹⁸ However, there is no merit whatsoever to this claim, and GLC is not entitled to bill AT&T pursuant to the Commission's "rural exemption" in Rule 61.26(e).

As the Commission has explained, its rural exemption is a "narrow" and "administratively simpl[e]" exception to the general "market-based" rule that a CLEC's tariffed rates may not exceed those of the competing ILEC. *Eighth Report and Order*, 19 FCC Rcd. 9108, ¶ 37. The exemption is available only to a CLEC "competing with a non-rural incumbent LEC" and does not apply "if any portion of the competitive LEC's service area falls within a

¹⁴ GLC Tariff F.C.C. No. 20, § 17GLC.2.2, Original Page 17GLC-10.3.

¹⁵ NECA Tariff F.C.C. No. 5, § 17.2.2., 7th Revised Page 17-10.2.1.2 (eff. Jan. 1, 2013).

¹⁶ AT&T Tariff F.C.C. No. 2, § 6.9.1(A), 11th Rev. Page 207.1.1.1.

¹⁷ The same is true of GLC's Transport Termination charge, which is billed at the NECA Band 2 rate of \$0.002171. The comparable AT&T Michigan charge is \$0.000103. AT&T Tariff F.C.C. No. 2, § 6.9.1(A), 52nd Rev. Page 207.

¹⁸ GLC Tariff F.C.C. No. 20, § 6.4, Original Page 6-27.



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non-rural area.” *Id.* ¶ 33 (emphasis added). Indeed, providing service to even “a single end user in a non-rural area” is enough to “entirely disqualify” a CLEC from using the rural exemption. *Id.* ¶ 36.

GLC plainly does not qualify for the rural exemption. On its website, GLC trumpets its extensive fiber network that shows facilities in or near Chicago, Detroit, Lansing, Grand Rapids, and Ann Arbor.¹⁹ Indeed, GLC claims to offer service in a building in Chicago that is across the street from McCormick Place, the largest convention center in North America.²⁰ It is thus clear that substantial portions of GLC’s service territories fall within urban, not rural, areas and that the rural exemption is entirely inapplicable to GLC.²¹

As a consequence, GLC may only file a tariff for switched access services if it complies with the general market-based benchmarking rule in Rule 61.26(b), which limits GLC to the rates of the “competing ILEC,” in this case AT&T Michigan. As explained above, however, GLC’s tariff fails this requirement because its rates substantially exceed AT&T Michigan’s rates. Accordingly, its tariff is unlawful and void *ab initio*.

B. Westphalia’s Transport Charges Are Also Unlawful, Because It May Not Bill For InterLATA Services or For Services That It Does Not Provide.

Prior to May, 2013, Defendant Westphalia was billing AT&T charges for tandem switching, transport termination, and for 83 miles of tandem transport, apparently on the grounds that Westphalia was itself providing those services to AT&T. After May 2013, Westphalia halted its tandem switching charges and all but 0.83 of a mile of the tandem transport, with Westphalia’s parent, GLC, billing those amounts going forward. Westphalia’s charges, however, are unlawful and any amounts paid by AT&T to Westphalia on the traffic at issue should be refunded.

The plain terms of Westphalia’s tariff – the NECA access tariff – bar it from providing and billing AT&T for tandem transport between Southfield and Westphalia. Southfield is in

¹⁹ http://www.glcom.net/network/glc_network_map.pdf.

²⁰ http://www.glcom.net/network/glc_optical_sites.pdf (showing, for example, “service availability” at “350 E. Cermak, 5th Flr, Chicago, IL, 60616”).

²¹ Further, on the calls at issue, the end users originating the calls are located nationwide, undoubtedly including urban areas. Accordingly, for these calls, GLC is plainly not a “rural CLEC,” which is defined as a CLEC that does not “originate traffic from any end users located within either (i) Any incorporated place of 50,000 inhabitants or more . . . or (ii) an urbanized area.” 47 C.F.R. § 61.26(a)(6).



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LATA 340, whereas Westphalia is in LATA 344.²² Transport between these two points is therefore an interLATA service.

The title page of the NECA tariff expressly circumscribes the area in which the access service (including transport) may be provided, stating that the tariff governs “the provision of Access Services *within a Local Access and Transport Area (LATA) or equivalent Market Area.*”²³ Further, Section 6.1 of the tariff states that “Switched Access Service provides for the ability to originate calls from an end user’s premises to a customer designated premises, and to terminate calls from a customer designated premises to an end user’s premises *in the LATA where it is provided.*”²⁴ In *Alpine*, the Commission construed these same tariff provisions, and held that the provisions made it unlawful for LECs to bill for transport services between Des Moines, Iowa, which was in LATA 632, and other points in different Iowa LATAs. *Alpine*, ¶ 34.

For the same reasons, Westphalia’s provision of interLATA service between LATA 340 (Southfield) and LATA 344 (Westphalia) is barred by the plain terms of Westphalia’s tariff. Indeed, Westphalia itself seems to have recognized this violation, because soon after AT&T pointed it out, the interLATA transport was suddenly being billed by its parent, GLC.

Westphalia’s charges are also improper for another, independent reason – it does not provide the services for which it billed. The Commission’s “long-standing policy” is that LEC “should charge only for those services that they provide.” *Eighth Report and Order*, ¶ 21. Prior to May 2013, Westphalia was billing AT&T tandem switching charges, not on behalf of GLC, but as though Westphalia was itself providing the tandem switching service. However, the tandem switch for which it was billing was owned and operated by GLC. Westphalia’s tandem switching charges thus are unlawful. *See also PaeTec Amicus Brief* at 12 (“If a CLEC does not provide tandem switching, it may not charge for tandem switching”).

C. The Defendants Have Violated The Commission’s Access Stimulation Rules.

Most of the Defendants’ charges to AT&T are unlawful on an entirely independent ground: according to AT&T’s analysis of the relevant bills, the Defendants are engaged in “access stimulation” under the Commission’s rules, and thus they were required to filed revised tariffs that reduced their rates to no higher than the rates charged by the lowest-priced price cap carrier in Michigan. However, the Defendants failed make these required filings on a timely basis, resulting in rates that have exceeded the Commission’s rules.

²² See http://www.latamaps.com/Telecom_Maps/Regional_LATA_maps/North_Central_LATA_Map_-_Maponics.pdf. See also Appendix A.

²³ NECA Tariff, FCC No. 5, Original Title Page 1, Access Service (emphasis added).

²⁴ *Id.* NECA Tariff No. 5, § 6.1, Original Page 6-1 (emphasis added).



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In 2011, the Commission issued rules to curtail “access stimulation,” finding that when LECs enter into arrangements that result in “significant increases in access traffic with unchanged access rates,” the result is “inflated profits” and rates that “almost uniformly” are “unjust and unreasonable under Section 201(b) of the Act.” *Connect America Fund Order* ¶ 657. To curtail the numerous “adverse effects of access stimulation,” the Commission required LECs that engage in access stimulation to file revised tariffs with lower rates. *Id.* ¶¶ 667, 679.

The Commission’s definition of “access stimulation” entails two conditions. The first is that a LEC has “either an interstate terminating-to-originating traffic ratio of at least 3:1 in a calendar month, or has had more than a 100 percent growth in interstate originating and/or terminating switched access minutes of use in a month compared to the same month in the preceding year.” 47 C.F.R. § 61.3(bbb)(1)(ii).

The Defendants satisfy that first condition. As explained above, AT&T’s records show that the volumes of traffic coming through the LEC-MI switch in Southfield, Michigan increased dramatically over time. Virtually all of these increases are likely associated with the 8YY aggregated traffic handled by each Defendant. In particular, and as shown in Appendix B, since the end of 2011, when the Commission’s access stimulation rules became effective, the volume of interstate access minutes of use between AT&T and this switch increased by 170 percent between May, 2012 (20.13 million MOUs) and May, 2011 (7.46 million MOUs); it increased by 123 percent between June, 2012 (19.20 million MOUs) and June, 2011 (8.63 million MOUs).

The second condition of “access stimulation” is the existence of an “access revenue sharing agreement,” which is an agreement “whether express, implied, written or oral, that, over the course of the agreement, would directly or indirectly result in a net payment to the other party (including affiliates) to the agreement, in which payment by the rate-of-return local exchange carrier or Competitive Local Exchange Carrier is based on the billing or collection of access charges from interexchange carriers or wireless carriers. When determining whether there is a net payment under this rule, all payments, discounts, credits, services, features, functions, and other items of value, regardless of form, provided by the rate-of-return local exchange carrier or Competitive Local Exchange Carrier to the other party to the agreement shall be taken into account.” 47 C.F.R. § 61.3(bbb)(1)(i).

As the Commission has explained, its rule “focuses on revenue sharing that would result in a net payment” from the LECs to the other entity. *Connect America Fund Order* ¶ 670. Because the precise nature of any revenue sharing arrangements is generally not known by the long distance carriers, the Commission held that a “complaining carrier may rely on the 3:1 terminating-to-originating traffic ratio and/or the traffic growth factor for the traffic it exchanges with the LEC as the basis for filing a complaint. This creates a rebuttable presumption that revenue sharing is occurring and that the LEC has violated the Commission’s rules. The LEC



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then has the burden of showing that it does not meet both conditions of the definition.” *Id.* ¶ 699.

Because AT&T’s records show that the Defendants meet the traffic growth factor, there is a rebuttable presumption that there is a revenue sharing agreement for the calls at issue, thus satisfying the second condition of the Commission’s definition of access stimulation. There is also good reason to believe that, in fact, Defendants have a revenue sharing agreement. Notably, in other cases involving 8YY aggregation arrangements with wireless carriers, LECs have admitted that they made payments to the wireless carriers.²⁵ Further, as a practical matter, there seems to be little incentive for a wireless carrier, or another provider acting on behalf of a wireless carrier, to undertake the burden of carrying its nationwide 8YY traffic to Southfield, Michigan, unless it receives a financial benefit in return.

Unless Defendants successfully rebut the presumption under the Commission’s rules (either by rebutting the traffic growth data or by demonstrating that they have no revenue sharing agreement under the Commission’s broad definition), then they have engaged in access stimulation within the meaning of the Commission’s rules. As such, they were required to file new tariffs after they began engaging in access stimulation.²⁶ Those revised tariffs must reduce the Defendants’ rates so that they do not exceed the rates of the lowest priced price cap LEC in Michigan.

However, the Defendants have failed to file revised tariffs on a timely basis with reduced rates that do not exceed the rates tariffed by the lowest-priced price cap LEC in the state.²⁷ Because they did not file revised tariffs when they were obligated to do so, Defendants cannot collect access charges under those unlawful tariffs.

²⁵ See, e.g., *Hypercube Telecom v. Level 3 Commc’ns*, 2011 WL 2907304 (Cal. PUC, July 14, 2011) (Hypercube, the aggregating CLEC, “admitted that it has contracts with certain CMRS providers pursuant to which it makes payments to the CMRS providers”); *Hypercube v. Comtel Telecom Assets*, 2009 WL 3075208 (N.D. Tex. Sept. 25, 2009) (“Hypercube shares its fees from [the long distance provider] with the wireless company to induce the wireless company to continue sending Hypercube calls”).

²⁶ Further, the Commission’s rules prohibit a carrier engaging in access stimulation from participating in NECA tariffs. See *Connect America Fund Order* ¶¶ 681-82. Thus, Defendant Westphalia should have withdrawn from NECA and filed its own tariff.

²⁷ On March 18, 2013, LEC-MI filed tariff revisions that reduced its tariffed rates, but, given the traffic growth, it should have filed those tariffs months earlier. In fact, prior to April, 2013, LEC-MI’s tariffed charges violated Section 61.26 of the Commission’s rules, because LEC-MI’s rates exceeded those of the competing ILEC. See 47 C.F.R. § 61.26; see *supra* Part III.A.



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D. LEC-MI Is Unlawfully Billing AT&T End Office Switching Charges For Transiting Traffic That Does Not Originate With Any LEC-MI End Users.

On the calls at issue, LEC-MI has billed AT&T end office switching charges (and related shared port and transport termination charges), but all of these charges are unlawful on at least three grounds. *First*, it has been settled since 2004 that a CLEC may not assess originating end office switching charges when it does not originate calls from its own end users. *Eighth Report and Order*, 19 FCC Rcd. 9108, ¶¶ 15-17 (“the benchmark rate established in the *CLEC Access Reform Order* is available only when a competitive LEC provides an IXC with access to the competitive LEC’s own end users”). Where, as here, a CLEC merely transits traffic from a wireless carrier, it may not assess end office switching. *Id.* ¶ 21 (the “competing incumbent LEC switching rate is the end office switching rate when a competitive LEC originates or terminates calls to end-users and the tandem switching rate when a competitive LEC passes calls between two other carriers”).²⁸

Second, LEC-MI’s charges violate the terms of its tariff, for the reasons the Commission explained in *Qwest Commc’ns. Corp. v. Farmers & Merchs. Mut. Tel. Co.*²⁹ As in that case, LEC-MI’s tariff provides that “Switched Access Service provides for the ability to originate calls from an *end user’s* premises. . . .”³⁰ Under LEC-MI’s tariff, an “End User” is a “customer” of telecommunications service “that is not a carrier,” and a customer, in turn, is defined as an entity that “subscribes to the services offered under this tariff.”³¹

On the calls at issue, however, LEC-MI is not “originat[ing] calls from an end user’s premises” and thus not providing switched access service at all within the meaning of its tariff. The wireless carrier’s customers – namely, the persons dialing the 8YY calls – are not end users or customers under LEC-MI’s tariff. They do not “subscribe” to any tariffed services provided by LEC-MI; indeed, they are surely not even aware that LEC-MI plays any role in routing their call. Nor is the wireless carrier an “end user” because the tariff provides that, except in circumstances not present here, an end user is a customer “that is *not* a carrier.” Accordingly, as in *Farmers*, LEC-MI’s tariff bars it from billing AT&T for switched access services on the calls at issue.

²⁸ Under the Commission’s rules, LEC-MI may not bill *any* end office charges (or associated port or termination charges) on the traffic at issue. But even if such charges were appropriate (and they are not), LEC-MI’s end office charges prior to April, 2013 are also unlawful because, for the reasons just explained above, its rates exceeded those of the competing ILEC. 47 C.F.R. § 61.26.

²⁹ *Qwest Commc’ns. Corp. v. Farmers & Merchs. Mut. Tel. Co.*, 24 FCC Rcd. 14801 (2009) (“*Farmers*”), *recon. denied*, 25 FCC Rcd. 3422 (2010), *aff’d*, 668 F.3d 714 (D.C. Cir. 2011).

³⁰ GLC Tariff F.C.C. No. 20, § 6.1, 1st Rev. Page 6-1 (emphasis added).

³¹ *Id.* § 2.6, 1st Rev. Page 2-65.1 and Original Page 2-68.



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Third, AT&T has learned that LEC-MI has provided at least one other access customer a refund or credit of end office switching charges. LEC-MI has not provided any such rebate or credit to AT&T, however, and its failure to do so constitutes unlawful discrimination in violation of Section 202 of the Communications Act. Upon information and belief, the services that LEC-MI allegedly is providing to AT&T are the same as those provided to other putative access customers, and AT&T believes that it is similarly situated to the other access customer (or customers) to which LEC-MI provides rebates or credits. And there is no reasonable basis to provide rebates and/or credits to some long distance customers, but not to AT&T. LEC-MI's end office charges to AT&T thus violate Section 202.³²

E. Defendants' Charges Are Part Of An Unlawful, Sham Arrangement, In Violation Of Section 201(b), That Raises Customers' Costs Without Providing Any Offsetting Benefits.

For the reasons set forth above, the Defendants' charges on the 8YY aggregated traffic at issue violate their own tariffs and/or the Commission's access charge rules. However, even if that were not true (or even if the Defendants revised their rates to comply with the rules), the Defendants' billing and routing practices are unlawful and unreasonable pursuant to Section 201(b) of the Act.

The Defendants have engaged in sham arrangements that have no valid purpose, other than to inflate the switched access charges billed by AT&T. In several cases, the Commission has held that carriers cannot use "sham" entities or arrangements that have no valid purpose, but that merely allow the carriers to "circumvent regulation" and "capture access revenues that could not otherwise be obtained by lawful tariffs."³³ Likewise, the Commission has recognized that

³² As set forth above, LEC-MI's end office charges are barred by the Commission's rules and its tariffs. However, to the extent such charges are permitted under the tariff, but LEC-MI nonetheless is crediting or rebating these charges to some customer or customers, LEC-MI's credit and/or rebate would also violate the plain terms of Section 203(c) of the Act, which provides that no carrier shall "refund or remit by any means or device any portion of the charges so specified." 47 U.S.C. § 203(c).

³³ *AT&T and Sprint Petitions for Declaratory Ruling on CLEC Access Charge Issues*, 16 FCC Rcd. 19158, ¶ 22 n.33 (2001) (it is unlawful under Section 201(b) to create "a company that purport[s] to be a *bona fide* carrier but which instead [is] simply a sham creation, designed to facilitate an arrangement among several entities to capture access revenues that could not otherwise be obtained by lawful tariffs"), *overruled on other grounds*, *AT&T Corp. v. FCC*, 292 F.3d 808 (D.C. Cir. 2002); *see Establishing Just and Reasonable Rates for Local Exchange Carriers*, 22 FCC Rcd. 11629, ¶ 6 n.20 (2007) (the Commission has "found that an arrangement between a chat line service provider and competitive access provider (formed by an ILEC for purposes of the arrangement) that did not provide local exchange service and had no customers other than the chat line was a sham"); *Total Telecomm. Servs. Inc. v. AT&T Corp.*, 16 FCC Rcd. 5726, ¶¶ 15-18 (2001), *aff'd in relevant part sub nom. AT&T Corp. v. FCC*, 317 F.3d 227, 233 (D.C. Cir. 2003) ("the entire arrangement was devised solely in order to circumvent regulation . . .



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LECs cannot “manipulat[e]” routing arrangements, with the intent and effect of ‘pumping’ mileage charges” without providing long distance carriers or their customers with benefits that offset the increased routing costs. *Alpine* ¶¶ 44-45.

This is precisely what is occurring here. To the extent it is appropriate for a wireless carrier’s 8YY traffic to be aggregated, that function can be accomplished much more simply, at much lower cost, ordinarily using a single LEC. Most notably, AT&T is aware of no valid reason why the calls, once aggregated at LEC-MI’s switch in Southfield, cannot be handed off at one of the numerous tandems in or around suburban Detroit. In addition to AT&T Michigan, other providers, including Frontier, operate switches in the area.³⁴ Use of one of these other tandem switches would reduce the tandem transport mileage charges from 83 miles to about 7 miles.

In that instance, the cost for originating these calls would be about \$0.001293 per minute, plus a reasonable database dip charge. The per minute charges would include a tandem switching charge, plus a tandem transport charge with about 7 miles of transport mileage. By contrast, the Defendants charge about 4.6 cents for each minute of originating traffic, plus a database dip charge.

The Defendants – by introducing two additional, affiliated LECs into the call routing, by hauling the traffic over 80 miles across Michigan, and by assessing high rates that do not reflect the efficiencies of carrying large volumes of traffic – have created a convoluted and costly sham routing arrangement that serves no valid purpose. In this regard, neither Westphalia nor its parent GLC appears to perform any valid or necessary function on these calls.³⁵ Rather, they

[and] deserves to be treated as a sham”); *AT&T Corp. v. All American Tel. Co.*, 28 FCC Rcd. 3477 (2013) (it was an unreasonable practice for a LEC and chat room provider to use a sham CLEC to act as a vehicle to bill access charges so that rates would increase and then avoid regulation that would reduce the rates).

³⁴ Although AT&T Michigan’s tandem is, as a factual matter, closest to LEC-MI’s switch, AT&T is not asserting that it is unlawful or unreasonable for the Defendants to use a competitive tandem provider. However, it is well-established that the use of competitive facilities cannot ordinarily result in customers paying *higher* prices than those charged by the incumbent. See *CLEC Access Reform Order* ¶ 37 (“it is highly unusual for a competitor to enter a market at a price dramatically above the price charged by the incumbent, absent a differentiated service offering”). Thus, if the Defendants want to use competitive tandem services, the resulting charges for the competitive services should not be priced above what the services would cost if the incumbents’ services were used.

³⁵ Indeed, LEC-MI’s switch was at one time connected to AT&T Michigan’s nearby tandem. See *Hypercube*, 2009 WL 3075208 (finding that, under the Commission’s CLEC access rules, the Commission did not intend to allow “unnecessary intermediate LECs demanding payment from IXC’s. The FCC surely did not intend to require IXCs to pay LEC who are merely profiting from the FCC’s rulings. . . . A company that provides no additional value to anyone may not unnecessarily insert itself into a chain of carriers”).



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appear to be inserted into the call routing path solely to justify billing of additional access charges. This is especially indefensible in light of the fact that GLC and Westphalia are commonly owned and operated, and that GLC was suddenly substituted as the service provider when AT&T pointed out that Westphalia could not lawfully bill for tandem switching or tandem transport.³⁶

For these reasons, the Defendants' routing and billing arrangements would violate Section 201(b) even if their charges were consistent with the Commission's rules. In particular, even if the Defendants' rates were tariffed at the levels required by the Commission rules, they should not be permitted to bill over 80 miles of tandem transport charges that are unnecessary and simply raise the costs of their customers and long distance users.

Sincerely,

/s/ Michael J. Hunseder

Michael J. Hunseder

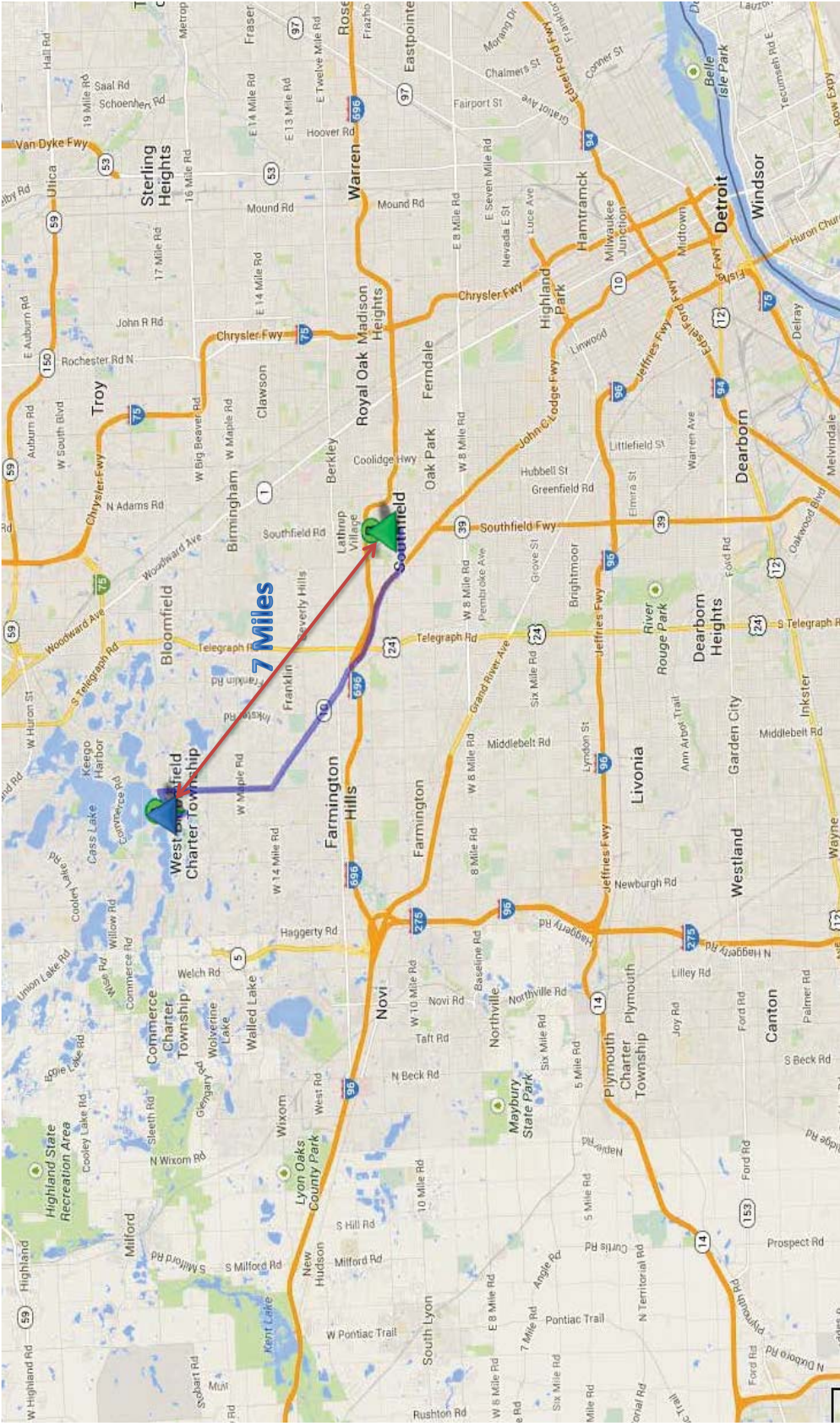
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³⁶ Cf. *All-American*, ¶¶ 3-21, 24-28 (finding an unreasonable sham arrangement where an incumbent LEC created a nominally "competitive" LEC that operated within the ILEC's territory, and when the CLEC suddenly began issuing bills for services previously provided by the ILEC, in order to bill inflated access rates).

APPENDIX A

Network Map for Switch Locations of LEC-MI Switch and Ameritech Michigan Tandem



▲

LEC-MI Switch in Southfield, MI

▲

Ameritech Tandem switch in West Bloomfield, MI

APPENDIX B

<u>Month</u>	<u>Interstate MOU</u>	<u>Year over Year % Growth</u>
Jan-11	6,364,862	
Feb-11	5,987,389	
Mar-11	7,968,765	
Apr-11	6,580,393	
May-11	7,458,389	
Jun-11	8,626,284	
Jul-11	10,640,380	
Aug-11	12,035,922	
Sep-11	14,448,319	
Oct-11	14,919,017	
Nov-11	14,206,592	
Dec-11	14,305,410	
Jan-12	12,576,395	98%
Feb-12	11,521,692	92%
Mar-12	15,234,964	91%
Apr-12	12,645,848	92%
May-12	20,132,453	170%
Jun-12	19,202,945	123%
Jul-12	12,653,786	19%
Aug-12	12,432,190	3%
Sep-12	16,259,029	13%
Oct-12	18,385,393	23%
Nov-12	20,321,249	43%
Dec-12	20,014,340	40%
Jan-13	20,081,935	60%
Feb-13	17,723,740	54%
Mar-13	20,312,067	33%
Apr-13	20,432,094	62%
May-13	24,914,016	24%
Jun-13	24,989,970	30%
Jul-13	22,390,483	77%
Aug-13	23,303,973	87%
Sep-13	23,035,933	42%
Oct-13	23,657,204	29%
Nov-13	24,495,191	21%
Dec-13	23,294,970	16%
Jan-14	22,903,546	14%
Feb-14	21,663,391	22%

PUBLIC VERSION

Case No. U-17619

**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-6

February 26, 2014

Ms. Rosemary McEnery
Chief, Market Disputes Resolution Division
Enforcement Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Verizon, CenturyLink and Sprint's Informal Complaint Against Local Exchange Carriers of Michigan, Inc; Great Lakes Comnet, Inc; and Westphalia Telephone Company

Pursuant to 47 C.F.R. § 1.716, the following interexchange carriers -- MCI Communications Services, Inc. d/b/a Verizon Business Services ("Verizon"); Qwest Communications Company, LLC d/b/a CenturyLink QCC ("CenturyLink"); and Sprint Communications Company L.P. ("Sprint") (collectively "Complainants") -- bring this informal complaint against Local Exchange Carriers of Michigan, Inc. ("LEC MI"), Great Lakes Comnet ("GLC"), and Westphalia Telephone Company ("WTC") (collectively "Defendants").

Defendants have established unlawful arrangements (1) to stimulate an enormous increase in interstate switched access traffic that exceeds the traffic pumping benchmark in Section 61.3(bbb)(1)(i) of the Commission's rules, and (2) to route all such access traffic to a tandem switch 83 miles away, instead of through a nearby AT&T Michigan tandem (7 miles away), in order to generate unreasonable and excessive interstate switched access charges. The Commission has found that such "mileage pumping" arrangements violate Section 201(b) of the Act. *AT&T v. Alpine*, 27 FCC Rcd 11511 (2012). Defendants' switched access rates should be no higher than those of the price cap LEC "with the lowest switched access rates in the state"¹ but, even if not, their rates cannot be higher than the general CLEC benchmark, i.e., the access rates of the competing ILEC.² Defendants' access rates greatly exceed both benchmarks and thus violate the Commission's rules. Defendants are billing Complainants a tandem switched transport rate that is **209 times higher** than that of the price cap LEC with the lowest rates in Michigan (Frontier) and more than **30 times higher** than the rate charged by the competing ILEC (AT&T Michigan).

WTC (which is the billing agent for the three Defendants) bills IXC's for 83 miles of transport to a distant tandem switch in a different LATA at a rate of \$0.0004180 per minute per mile, for a total per minute rate of \$0.035. In contrast, more efficient and reasonable tandem routing at the legally correct rates would result in drastically lower charges. Transporting the calls seven (7) miles to the nearest ILEC tandem switch and applying the competing ILEC's rate of \$0.000013 per minute

¹ 47 C.F.R. § 61.26(g)(1) (specifying maximum tariff rates for a CLEC engaging in access stimulation).

² 47 C.F.R. § 61.26(b)(1).

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per mile would result in a transport charge of less than one-hundredth of a cent. WTC charges 69 cents (\$0.69) for transport on a 20-minute call, whereas the lawful charge for such a call is far less than a penny (\$0.0018). In fact, WTC is billing the interexchange carriers (“IXCs”) **381 times** as much as the competing ILEC would bill for the same transport service. Defendants’ billing practices have resulted in tens of millions of dollars in excessive, unjustified charges billed to the Complainants.

Defendants have violated section 201 of the Communications Act, 47 U.S.C. § 201, by failing to route interexchange traffic in a reasonable, cost-effective manner and by refusing to establish alternative routing arrangements that would avoid excessive mileage charges. Because Defendants’ charges to Complainants are unlawful under sections 201 and 203 of the Act, Complainants respectfully request that the Commission order Defendants to revise their bills to each Complainant, issue credits to each of the Complainants equal to the amounts Defendants have unlawfully billed them, and refund to each of the Complainants all unlawful charges that the Complainants have paid to Defendants.

FACTUAL BACKGROUND

A. The Parties

Local Exchange Carriers of Michigan, Inc. (“LEC MI”) is a competitive local exchange carrier in Southfield, Michigan, which is a suburb of Detroit. Great Lakes Comnet (“GLC”) is a competitive local exchange carrier that provides tandem switching services in Michigan. Its tandem switch is in Westphalia, MI, east of Lansing. The distance between LEC MI’s end office switch in Southfield and GLC’s tandem switch is 83 miles. Westphalia Telephone Company (“WTC”) is a local exchange carrier in Michigan that also provides billing services for other carriers, including LEC MI and GLC.

The three Defendants have several interlocking relationships and, indeed, two of the companies – GLC and WTC -- are commonly-owned and operated.³ GLC has filed interstate and intrastate switched access tariffs.⁴ Those tariffs also include the rates, terms and conditions for access services provided by LEC MI and several other local exchange carriers.⁵ As a result, LEC MI does not maintain its own access tariffs; rather, GLC files any tariff revisions on behalf of LEC MI (and other local exchange carriers) within GLC’s own tariffs. WTC also operates as a billing

³ WTC is a wholly-owned subsidiary of Clinton County Telephone Company (“CCTC”), which also invested in GLC. On September 30, 2011, GLC purchased all of the issued and outstanding stock in CCTC. CCTC and its subsidiaries, including WTC, are now wholly-owned by GLC. WTC and GLC share the same Chief Executive Officer, Mr. Paul Bowman.

⁴ Great Lakes Comnet, Inc. Tariff F.C.C. No. 20 and Great Lakes Comnet, Inc. Tariff M.P.S.C. No. 25(R).

⁵ See, e.g., Great Lakes Comnet, Inc. Tariff F.C.C. No. 20, Section 17LECMI (Pages 17LECMI-I through Page 17LECMI-11.1).

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company for LEC MI and GLC. WTC provides consolidated billing by sending each of the Complainants a monthly invoice that includes charges for services purportedly provided by LEC MI, GLC, WTC, and a fourth entity, Westphalia Broadband, Inc. Those invoices contain rates and charges that do not comply with the Commission's pricing rules applicable to CLEC switched access charges, as described below. The Defendants also cooperated in establishing traffic routing arrangements that resulted in unnecessarily high transport charges that form the primary basis for the Complainants' ongoing billing disputes and precipitated this complaint. LEC MI routes most, if not all, of the switched access traffic at issue through GLC's tandem switch. The transport path between LEC MI and GLC goes through WTC's service area and WTC charges the IXCs for a portion of the transport mileage charges.

The Complainants -- Verizon, CenturyLink and Sprint -- are IXCs. Each has been billed by the Defendants and each has disputed various charges.

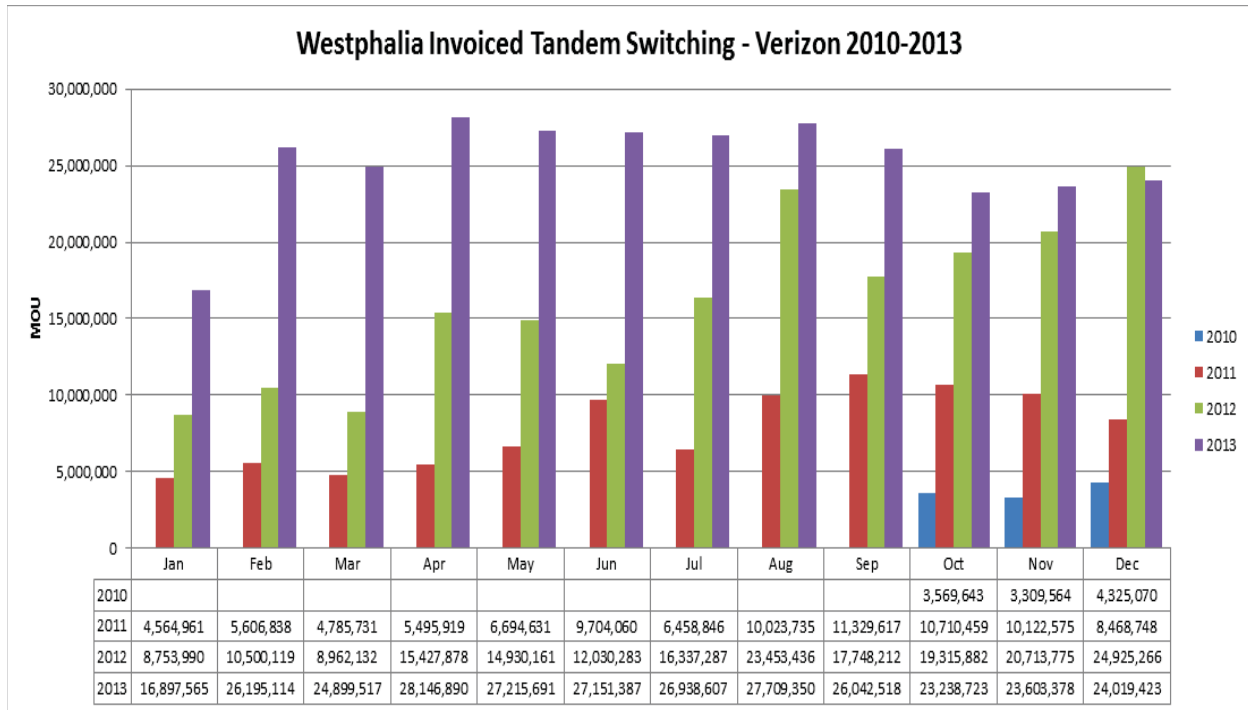
B. The Traffic at Issue and the Rates Defendants Have Charged

While individual Complainants may have disputed various charges billed by WTC prior to 2012, the issues began escalating in early 2012, when LEC MI began aggregating substantial volumes of toll-free (8YY) traffic that appeared to be originated by a wireless company's end users throughout the country.⁶ This resulted in an enormous spike in the amount of switched access traffic delivered by LEC MI and the other Defendants to each of the Complainants, as demonstrated on the following three pages. The vast majority of the traffic is interstate.

⁶ Ordinarily, 8YY calls placed by consumers in Texas or California are routed by the local carrier to the interexchange carrier that serves the toll-free customer (after performing an 8YY database dip); the IXC then delivers the call to its customer. Under the arrangement at issue here, all of the toll-free calls generated anywhere in the country by the CMRS provider's end users are routed to LEC MI's switch near Detroit, and then to GLC's distant tandem before being handed off to the appropriate IXC.

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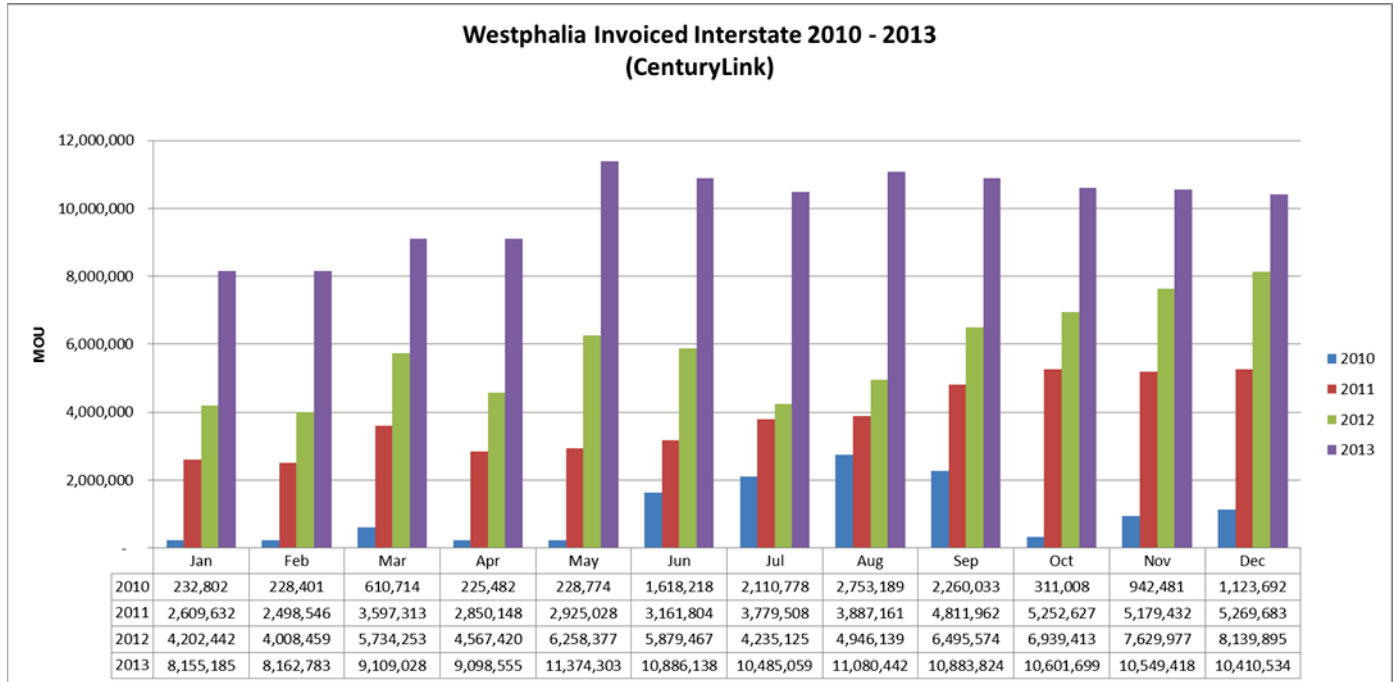
For example, WTC invoiced Verizon for 5,495,919 tandem switching minutes of use (“MOUs”) in April 2011. In April 2012, that figure jumped to 15,427,878 MOUs. Similarly, in December 2011, WTC billed Verizon for 8,468,748 tandem switching MOUs. A year later, the number of MOUs increased to 24,925,266.⁷ These figures represent nearly a three-fold increase in the amount of tandem switched traffic year-over-year.



⁷ The figures shown in the text are interstate minutes of use. Even though about 90% of the 8YY traffic delivered to Verizon is interstate, WTC applied a default PIU factor in many of its invoices, which led to an understatement of the amount of interstate MOUs billed.

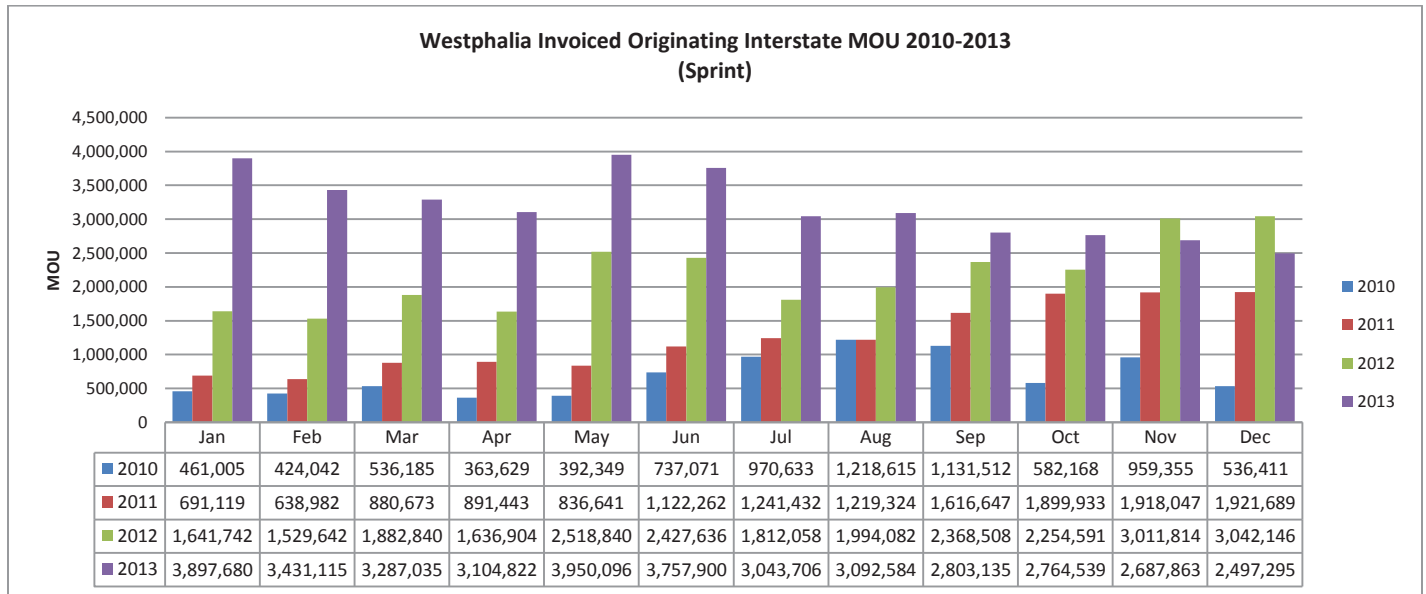
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Similarly, WTC invoiced CenturyLink for 2,925,028 tandem switching MOUs in May 2011. That number jumped to 6,258,377 MOUs in May 2012, and 11,374,303 MOUs in May 2013. This pattern has recurred between 2010 and 2013. From January 2010 to December 2013, WTC's billing to CenturyLink skyrocketed from 232,808 MOUs to 10,410,534 MOUs. This is nearly a 45-fold increase. WTC's increases in billings to CenturyLink are reflected in the following graph.



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Sprint's experience is also similar. For example, WTC invoiced Sprint for 880,673 originating interstate tandem switching MOUs in March 2011. In March 2012, that figure jumped by 113%, to 1,882,840 originating interstate MOUs. Similarly, in May 2011, WTC billed Sprint for 836,641 originating interstate tandem switching MOUs. A year later, the number of originating MOUs more than tripled, to 2,518,840. The growth in traffic witnessed by Sprint is reflected on the following chart.



LEC MI routes all of the 8YY and other switched access traffic across LATA boundaries to GLC's tandem switch, a distance of 83 miles. GLC subsequently hands off the traffic to each of the Complainants. Michigan Bell Telephone Company d/b/a AT&T Michigan ("AT&T Michigan"), the largest local exchange carrier in the Detroit area, owns and operates a tandem switch located approximately seven (7) miles from LEC MI's end office in Southfield. On information and belief, Inteliquent also operates a tandem switch within a few miles of LEC MI's end office. Despite the presence of these two nearby tandems, LEC MI does not route access traffic through either of one of them. Instead, it routes all of the switched access traffic to GLC's distant tandem, thereby unnecessarily increasing tandem switched transport mileage charges.

GLC provides the transport between the LEC MI and GLC switches, as well as tandem switching functions. To do so, GLC presumably arranged to construct or lease facilities outside of its local exchange area, including in the service areas of two incumbent LECs, AT&T Michigan and Frontier Telephone Company ("Frontier"), in order to transport the traffic from LEC MI's Southfield end office to GLC's tandem in Westphalia. This was accomplished in cooperation with LEC MI, as it is LEC MI that initially routes the traffic through its end office to GLC's distant tandem, and with WTC, as the traffic is also transported through its service area and WTC bills Complainants for a portion of the transport charges (even though there is no evidence that any of the traffic is carried over WTC's facilities).

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WTC bills Complainants (on behalf of GLC and WTC) for the 83 miles of transport, at the NECA rate (which is referenced in GLC's tariff) of \$0.0004180 per minute per mile.⁸ This rate is more than **30 times higher** than AT&T Michigan's interstate tariff rate for tandem switched transport. The AT&T Michigan rate is only \$0.000013 per minute per mile, while Frontier charges even less, \$0.000002 per minute per mile.⁹ Multiplying GLC's rate by 83 miles produces a charge of 3.47 cents per minute, which is the amount that WTC bills each of the Complainants.¹⁰ Since LEC MI began aggregating substantial volumes of nationwide CMRS traffic, this arrangement has resulted in a huge increase in GLC's transport and tandem switching charges.

Under the Commission's rules, a CLEC engaged in access stimulation may not charge switched access rates higher than those of "the price cap LEC with the lowest switched access rates in the state."¹¹ Even if that rule is not applicable, a CLEC is required to comply with the general CLEC benchmark rule, under which a CLEC may not charge rates higher than those charged by "the competing ILEC."¹² In this case, the competing ILEC is AT&T Michigan. Had the traffic been appropriately handed to the AT&T tandem, there would have been 7 miles or less of transport billed at the AT&T rate.

The Defendants have chosen to route aggregated traffic through LEC MI, sending that traffic 83 miles away to the GLC tandem, regardless of the fact that there are closer tandem switch locations. Complainants are unaware of any network efficiencies gained by this unorthodox routing scheme. Rather, by routing traffic through a distant tandem instead of through a tandem switch located close to LEC MI's end office, Defendants have increased the charges to IXCs and toll-free service providers and have failed to route switched access traffic to Complainants in a reasonable and cost-effective manner.¹³ This imposition of excessive transport charges on Complainants fails to provide any corresponding benefits to consumers.

⁸ Nearly 99% of the end office-to-tandem transport charges shown on WTC-issued invoices are billed on behalf of GLC. The remaining 1% is billed by WTC, even though it is not clear whether any of the traffic is transported on WTC's network. GLC and WTC both charge the same rate for transport.

⁹ AT&T Corp. Tariff F.C.C. No. 2, § 17.15.1.B (AT&T Michigan's transport rate in Frontier territory is \$0.000002 per minute per mile); Frontier Telephone Companies Tariff FCC No. 5, § 4.6.2(A).

¹⁰ Intrastate traffic is billed at the rates in the carriers' intrastate tariffs.

¹¹ 47 C.F.R. § 61.26(g)(1).

¹² *Access Charge Reform, Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, Seventh Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 9923 (2001) ("CLEC Price Cap Order"); 47 C.F.R. § 61.26(b).

¹³ As explained below, LEC MI has also declined to implement direct trunking to an IXC's network, which would minimize or eliminate the excessive access charges.

CLAIMS

All of the Complainants have disputed a number of Defendants' charges and, for the most part, their claims are similar. To the extent possible, this informal complaint identifies issues and claims that the Complainants have in common. Because some of the facts are specific to each Complainant, and some individual Complainants have additional claims that are particular to their experience, those issues are described below with a notation that the specific claim is being raised by an individual Complainant.

GLC's Transport Charges are Unjust and Unreasonable in Violation of Section 201 of the Act. The Communications Act requires that "[a]ll charges, practices, classifications, and regulations for and in connection with [interstate] communication service, shall be just and reasonable". 47 U.S.C. § 201(b). In order to ensure that CLEC switched access rates are just and reasonable, the Commission established a benchmark rate more than a dozen years ago, and held that CLEC rates priced at or below the benchmark are presumptively reasonable.¹⁴ To implement the benchmark requirement, the Commission adopted a rule which prohibits a CLEC (including the Defendants here) from tariffing switched access rates higher than those charged by the competing ILEC. 47 C.F.R. § 61.26(b).

Access traffic transported by GLC between Southfield and Westphalia originates in and traverses AT&T Michigan's service area, and then passes through Frontier's territory before reaching the GLC tandem. WTC is billing Complainants the NECA transport rate for traffic (\$0.0004180 per minute per mile) over the entire 83-mile route, including traffic carried within the service areas of AT&T Michigan and Frontier. The rate charged by GLC is more than **30 times higher** than AT&T Michigan's tariff rate for tandem transport, which is only \$0.000013 per minute. GLC's rate is also **209 times higher** than Frontier's tandem transport rate of \$0.000002 per minute per mile.¹⁵

GLC is a CLEC, and is required to comply with the Commission's CLEC benchmark rule for transport services. Under 47 C.F.R. § 61.26(b), GLC may not charge rates that are higher than those charged by "the competing ILEC." The competing ILEC is AT&T Michigan because the access traffic originates in and transverses AT&T Michigan's service area. WTC is not billing Complainants the rates charged by the competing ILEC. Instead, it is billing Complainants GLC's higher rates, even though it is transporting access traffic through the service areas of AT&T Michigan and Frontier.

Because GLC is billing Complainants a rate that exceeds the benchmark, it is in violation of the Commission's rate cap rule for CLECs. Accordingly, its rate for switched transport is unjust and unreasonable in violation of Section 201 of the Act.

¹⁴ *CLEC Price Cap Order*, ¶¶ 40-45.

¹⁵ See page 7 and n. 9, *supra*.

Although the Commission created a “narrow exemption” from the benchmark rules to allow some CLECs in rural areas to charge access rates higher than the competing ILEC, Defendants are not entitled to that “rural exemption” here.¹⁶ That rule applies in the following, limited circumstances:

We conclude that the rural exemption to our benchmark limitation on access charges will be available for a CLEC competing with a non-rural ILEC, where no portion of the CLEC's service area falls within: (1) any incorporated place of 50,000 inhabitants or more, based on the most recently available population statistics of the Census Bureau or (2) an urbanized area, as defined by the Census Bureau. Thus, if any portion of a CLEC's access traffic originates from or terminates to end users located within either of these two types of areas, the carrier will be ineligible for the rural exemption to our benchmark rule. Relying on information that is readily and publicly available, this definition excludes from the exemption those CLECs operating within reasonably dense areas that are not typically considered as rural.¹⁷

The vast majority of traffic billed to Complainants by WTC originates in the Southfield wire center owned by LEC MI. According to the latest census figures, Southfield has a population of 72,507,¹⁸ which does not qualify this location as rural. Thus, the rural exemption does not apply to the Defendants' access traffic. Defendants must comply with the benchmark rules and, thus, may not charge switched access rates higher than those of the competing ILEC. Because they have charged rates that exceed the benchmark, their access rates are unjust, unreasonable and unlawful.

Defendants are Engaged in an Unlawful “Mileage Pumping” Scheme. As in the recent *Alpine* case,¹⁹ LEC MI and GLC have manipulated the points of interconnection “with the intent and effect of ‘pumping’ mileage charges,” a practice the Commission ruled is unjust and unreasonable in violation of § 201(b) of the Act. AT&T Michigan and Inteliquent each operate tandem switches located seven miles or less from LEC MI's end office in Southfield. Both are presumably capable of handling all of the 8YY and other switched access traffic routed through LEC MI's end office. LEC MI, however, has failed to deliver traffic to the Complainant IXCs in the most direct and cost-effective manner by routing calls through one of the nearby tandems.

Complainants are unaware of any network efficiencies gained by this unorthodox routing scheme. Indeed, there is no legitimate technical or other reason – and Defendants have not

¹⁶ *CLEC Price Cap Order*, ¶¶ 64-76; see also *Access Charge Reform, PrairieWave Telecommunications, Inc. Petition for Waiver of Sections 61.26(b) and (c), et al*, Order, FCC 08-49, CC Docket No. 96-262, ¶ 4 (Feb. 14, 2008).

¹⁷ *CLEC Price Cap Order*, ¶ 76.

¹⁸ <http://www.city-data.com/city/Southfield-Michigan.html>.

¹⁹ *AT&T v. Alpine Communications, LLC*, 27 FCC Rcd 11511 (2012), reconsideration denied, 27 FCC Rcd 16606 (2012).

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articulated one -- why a CLEC would route large amounts of traffic from an urban area (a Detroit suburb) to a distant, rural tandem office in a different LATA, then back to the urban area, before handing the traffic off to IXC's. Rather, by routing traffic through a distant tandem instead of through a tandem switch located close to LEC MI's end office, Defendants have failed to route switched access traffic to Complainants in a reasonable and cost-effective manner. In so doing, they have dramatically increased the charges to IXC's. As the Commission held in *Alpine*, there is no justification for imposing additional mileage costs on IXC's without providing any corresponding benefits to consumers -- of which there are none here.

Defendants are acting in concert to route the traffic at issue. The access traffic is initially switched by LEC MI, which has chosen not to route the traffic in the most efficient and cost-effective manner. Instead, it arranged with GLC to have GLC pick up and transport large volumes of access traffic across LATA boundaries between LEC MI's end office in Southfield and the GLC tandem switch in Westphalia. GLC took the steps necessary to lease or establish transport and associated facilities in AT&T Michigan's service territory in order to transport the traffic across LATA boundaries, and through Frontier's service territory, to its distant tandem switch in Westphalia. Both LEC MI and GLC are culpable because they jointly agreed to route the traffic in the manner described above. WTC, in turn, bills the unnecessarily inflated mileage charges on behalf of GLC and itself.

Because Defendants' routing arrangements are unjust and unreasonable, the excessive tandem transport charges they have billed Complainants are also unreasonable and unlawful.

LEC MI's Refusal to Provide Direct Connections and Route the Switched Access Traffic to Verizon Was Unreasonable (Verizon Claim). As explained above, the Defendants' routing arrangement, designed to extract excessive mileage charges, is an unreasonable practice under the *Alpine* precedent. Not only did LEC MI choose not to route traffic to a tandem switch much closer to its end office in the same LATA, but it also declined to implement measures requested by Verizon that would minimize or eliminate the excessive transport charges. Its refusal to do so was unreasonable.

In mid-2013, Verizon requested LEC MI to establish direct trunks between its Southfield end office and Verizon's network that would be capable of handling the traffic now being routed to the distant GLC tandem. Direct trunking is a common, efficient practice that carriers use to minimize tandem transport mileage charges when traffic volumes warrant. On August 26, 2013, LEC MI responded in an e-mail message that it would not establish direct trunks that would carry toll-free traffic (which is the vast majority of the traffic) between the two networks. The stated reason for denying Verizon's request was that LEC MI "do[es] not do toll free dips on our [Southfield] end office at this time, so all our toll free traffic would head over to the tandem for completion." In other words, LEC MI claimed that because it does not perform the 8YY data base query, it could not segregate 8YY (toll free) calls destined for Verizon and route those 8YY calls over the direct trunks that Verizon had requested.

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This refusal is not credible for several reasons. First, the industry's Local Exchange Routing Guide (LERG) indicates that LEC MI's Southfield office is SSP capable, meaning that the switch can perform an 8YY data base query. Second, LEC MI's intrastate and interstate tariffs include rates for "800 Data Base Access Queries."²⁰ Under the Act, LEC MI is required to provide service on reasonable request, consistent with the terms of its tariff. 47 U.S.C. §§ 201(a), 203. And third, from 2011 through June 2013, Verizon was billed the LEC MI tariffed rates for 8YY data base dips.²¹ Thus, there does not appear to be any justification for LEC MI's unwillingness to perform the 8YY data base dip and route 8YY traffic to Verizon, either over direct trunks or through a closer tandem.

Because LEC MI's tariff includes rates for performing the 8YY data base dip and because it billed Verizon its 8YY dip charges for more than 18 months, its unwillingness to implement this solution is unreasonable, contrary to the express terms of its tariff, and therefore unlawful.

Defendants are Engaging in Access Stimulation, Without Following the Commission's Rules. In November 2011, the Commission adopted new rules "to address the adverse effects of access stimulation and to help ensure that interstate switched access rates remain just and reasonable, as required by section 201(b) of the Act."²² One of the criteria used to determine whether a CLEC is engaged in access stimulation is if the CLEC "has had more than a 100 percent growth in interstate *originating and/or terminating* switched access minutes of use in a month compared to the same month in the preceding year."²³

Shortly after the Commission adopted the *Connect America Fund* order, LEC MI began aggregating switched access traffic originated by a CMRS provider's end users around the country. By April 2012, the volume of tandem switched traffic billed by WTC to Verizon had increased significantly, to 15.4 million MOU. This was 181 percent higher than the number of tandem switched MOU that WTC had billed Verizon the previous April (less than 5.5 million MOU). This pattern repeated itself throughout the year. While each IXC experienced different fluctuations in volumes of billed traffic at different points in time, the chart below shows that one or more of the Complainants experienced more than a 100% increase in interstate switched traffic (year-over-year)

²⁰ See GLC Tariff F.C.C. No. 20, Section 17 LECMI.2.2(B) ("The rate charged by LEC Michigan is the applicable current rate at Frontier Telephone Companies Tariff F.C.C. No. 5 Section 4.6.3-Michigan, Basic 800/877/888 Data Base Query Charge and Premium 800/877/888 Data Base Query Charge.") LEC MI's intrastate tariff includes a specific rate (\$0.0090183) for "800 Data Base Access Service Queries." See GLC's Tariff M.P.S.C. No. 25(R), Section 17LECMI.2.2(B).

²¹ After Verizon asked LEC MI to provide direct connections, WTC started billing Verizon GLC's rate for 8YY data base queries, beginning with the July 2013 invoice.

²² *Connect America Fund, A National Broadband Plan for Our Future*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, ¶662 (2011) ("*Connect America Fund*").

²³ 47 C.F.R. § 61.3(bbb)(1)(ii) (emphasis added).

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billed by Defendants in 13 of the 15 months between January 2012 and March 2013. Thus, Defendants clearly meet one of the conditions that constitute access stimulation.

	Jan 2011- March 2013 MOU Year-over-Year Increase (%)	Jan 2011- March 2013 MOU Year-over-Year Increase (%)	Jan 2011- March 2013 MOU Year-over-Year Increase (%)
	Verizon	CenturyLink	Sprint
Jan 2011 -Jan 2012	92%	61%	138%
Feb 2011 -Feb 2012	87%	60%	139%
Mar 2011 - Mar 2012	87%	59%	113%
Apr 2011 - Apr 2012	181%	60%	84%
May 2011 -May 2012	123%	114%	201%
Jun 2011 - June 2012	50%	86%	116%
Jul 2011 – Jul 2012	101%	12%	46%
Aug 2011 – Aug 2012	134%	27%	64%
Sep 2011 – Sep 2012	57%	35%	47%
Oct 2011 – Oct 2012	80%	32%	19%
Nov 2011 – Nov 2012	105%	47%	57%
Dec 2011 – Dec 2012	194%	54%	58%
Jan 2012 – Jan 2013	93%	94%	137%
Feb 2012 – Feb 2013	149%	104%	124%
Mar 2012 – Mar 2013	178%	59%	75%

Most of the traffic involved in this dispute is aggregated 8YY traffic that appears to originate from a wireless carrier's end users located throughout the United States. The 8YY traffic is delivered to LEC MI which, in turn, routes the calls to the GLC tandem for ultimate delivery to the IXC's associated with the 8YY numbers. Thus, this case involves an originating traffic-pumping arrangement. 8YY calls have characteristics that are similar to the terminating traffic involved in other access stimulation cases, and are open to the same types of arbitrage as terminating traffic. Calls to an 800 number can originate from any domestic location, and from wireless or VoIP phones, as well as land lines. The local exchange company that originates the call must perform a database dip to ensure the call goes to the correct IXC. The IXC has no control over how the call is originated, but incurs charges for the origination and data base query required to route the call to it.

Aggregation often occurs when calls originated by a wireless or VoIP handset are sent to a central location to perform the database dip. By routing aggregated 8YY traffic through CLECs and rural LECs, companies are able to increase the volumes and amount of switched access they bill, and increase the distance they transport the traffic, thereby inflating mileage charges and maximizing the charges that are billed to IXC's. There is no identifiable network efficiency in this routing. When

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carriers cooperate in implementing these arrangements, they may engage in revenue-sharing agreements in which wireless or VoIP originators receive a “kickback” from the third party aggregators.²⁴ While there are legitimate reasons for aggregating traffic (e.g., wireless and VoIP providers are not able to initiate the data base dip necessary to determine which carrier 8YY calls should be delivered to without going through a LEC), the ability to channel large amounts of traffic through high-cost areas and to increase the mileage make these arrangements look more like traditional access stimulation and mile pumping situations that the Commission has previously addressed, and found unlawful.

At this time, and without the benefit of discovery, it is not known whether Defendants meet the second condition for identifying access stimulation: that they have “an access revenue sharing agreement, whether express, implied, written or oral, that over the course of the agreement, would directly or indirectly result in a net payment to the other party (including affiliates) to the agreement, in which payment by the rate-of-return LEC or competitive LEC is based on the billing or collection of access charges from interexchange carriers or wireless carriers.”²⁵

The circumstances suggest that there is such an agreement (“express or implied”). The participants are aggregating 8YY traffic from across the country, routing it to a small CLEC end office near Detroit and then delivering it to a tandem switch across Michigan – in a manner designed to extract millions of dollars in excessive switched access charges. Presumably, the wireless carrier is being compensated in some manner by agreeing to participate in this arrangement. LEC MI is likely obtaining some benefit by participating in this mileage pumping and access stimulation arrangement with the other Defendants. Because it is providing access services between two carriers, the CMRS provider and GLC, LEC MI is not entitled to bill Complainants for end office switching, and it does not provide or charge for tandem switching. Consequently, LEC MI’s charges (net of credits) for traffic from its Southfield end office are only a small portion of the overall charges that WTC bills the Complainants; the vast majority of the charges are billed on behalf of GLC. LEC MI’s charges, by themselves, would not provide a strong financial incentive for LEC MI to act as an aggregator of nationwide wireless 8YY traffic and route tremendous volumes of access traffic through its local switch. Thus, while it instigated the process (aggregating nationwide traffic) that resulted in the tremendous stimulation of access traffic, it would not make sense for LEC MI to purposefully route large volumes of traffic through its switch unless it obtains some amount of compensation from its partnering LECs for its “effort.” Sharing a portion of the inflated access charges resulting from the “mileage pumping” scheme would appear to be the most likely business arrangement.

A CLEC that is engaged in access stimulation may not file an interstate switched access tariff with prices above the rates “of the price cap LEC with the lowest interstate switched access rates in

²⁴ See, e.g., *Hypercube Telecom, LLC v. Level 3 Communications, LLC*, 2010 Cal. PUC LEXIS 189 (2009).

²⁵ 47 C.F.R. § 61.3(bbb)(1)(i).

the state.”²⁶ The Commission’s rules also require a CLEC engaged in access stimulation to file revised interstate switched access tariffs that comply with the foregoing pricing requirement within 45 days of commencing access stimulation.²⁷ None of the Defendants participating in this arrangement have complied with either of these rules. None of them have filed revised tariffs, as required by section 61.26(g)(2). In Michigan, the price cap LEC with the lowest access rates is Frontier.²⁸ None of the Defendants have recalibrated their access rates so that they do not exceed Frontier’s rates, as required by section 61.26(g)(1). Instead, their tariff rates are greatly in excess of Frontier’s rates.

The Defendants’ failure to comply with the benchmark requirement violates Commission rules and policies. Indeed, Defendants’ practices here are identical to those the Commission condemned in the *Connect America Fund* order: “[t]he combination of significant increases in switched access traffic with unchanged access rates results in a jump in revenues and thus inflated profits that almost uniformly make the LECs’ interstate switched access rates unjust and unreasonable under section 201(b) of the Act.”²⁹ The Commission found that access stimulation imposes undue costs on consumers, harms competition, and inefficiently diverts capital away from more productive uses.³⁰ To prevent these adverse effects and ensure that interstate access rates are priced at reasonable levels, the Commission adopted the rules described above. The Defendants’ failure to comply with those pricing rules is unreasonable and, therefore, unlawful.

GLC’s Interstate Transport Rates Are Not “Deemed Lawful.” GLC’s tariff transmittals were not filed on a “streamlined” basis and, thus, are not entitled to “deemed lawful” status. A review of tariff transmittals filed by GLC in the past two years for its own services indicates that GLC filed less than 7 days in advance of a rate decrease or less than 15 days (for a rate increase).³¹ The tariff page that describes GLC’s rates and charges for tandem switched transport and other tandem functions states: “Issued: September 25, 2003” and “Effective: October 1, 2003.” On its face, the tariff page describing these rates was filed less than 7 days before the effective date. Because GLC did not follow the streamlined procedure in Section 204(a)(3) of the Act, 47 U.S.C. § 204(a)(3), with respect to its tandem-related rates, those tariff provisions “shall not be deemed lawful.” *Streamlined Tariffing Order*, 12 FCC Rcd 2170, ¶ 34 (1997). “By definition,” tariffs “not filed pursuant to that section [] are not [] accorded the [deemed lawful] treatment provided for in that section.” *See also North County Communications v. Verizon*, 685 F. Supp. 2d 1112 (2010) (CLEC that did not file tariff within time frame required to obtain streamlined treatment “cannot avail itself

²⁶ 47 C.F.R. § 61.26(g)(1). *Connect America Fund*, 26 FCC Rcd 17663, ¶679 (2011).

²⁷ 47 C.F.R. § 61.26(g)(2).

²⁸ *See* page 7 and n. 9, *supra*.

²⁹ *Connect America Fund*, ¶ 657.

³⁰ *Id.*, ¶¶ 662-666.

³¹ Two of the three tariff filings made since January 2012 that included changes in the rates, terms and conditions of GLC services were filed on only one or two days’ notice.

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of “deemed lawful” status.”) Accordingly, the Commission may set aside those rates and require GLC to refund charges that were unreasonable and unjust.

GLC’s Interstate Access Tariff Does Not “Contain Clear and Explicit” Language About Its Rates, as Required by 47 C.F.R. § 61.25. The Communications Act requires carriers to file tariffs describing all services and their associated charges. 47 U.S.C. § 203(a). The Commission’s implementing regulations require that “all tariff publications must contain clear and explicit explanatory statements regarding the rates and regulations.” 47 C.F.R. § 61.2(a). In its *Eighth Report and Order*, the Commission made clear that “access tariffs ... must clearly identify each of the services offered and the associated rates, terms, and conditions.”³² The Commission has also emphasized that a carrier may not charge for services that are not clearly described in its tariff, for tariffed rates “do not exist in isolation. They have meaning only when one knows the services to which they are attached.”³³

The Commission permits non-dominant carriers to cross-reference the rate provisions of another carrier’s interstate access tariffs. However, “section 61.25 of the Rules, consistent with section 203 of the Act, requires the carrier to ‘specifically identify in its tariff the rates being cross-referenced so as to leave no doubt as to the exact rates that will apply.’”³⁴

GLC’s interstate switched access tariff suffers from the defect identified in *All American*. Section 6-4 of the tariff states that “The rates in Section 17 of this Tariff for Switched Access Services ... are referenced to the **applicable current rates** in NECA Tariff F.C.C. No. 5.” This is problematic given the Commission’s observation in *All American* that Section 17 of NECA Tariff F.C.C. No. 5 “contains over 300 pages of rates” and multiple rate bands. Thus, GLC’s tariff language is unclear, ambiguous and open to multiple interpretations.

Billing vs. Recorded Usage (CenturyLink Claim). WTC is billing a significantly greater volume of MOUs to CenturyLink than has been recorded by CenturyLink’s switches. In January 2014, CenturyLink requested call detail records (CDRs) that support the November 2013 WTC

³² *Access Charge Reform: Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, Eighth Report and Order and Fifth Order on Reconsideration, 19 FCC Rcd 9108, ¶18 (2004).

³³ *Id.*, ¶ 14 & n. 51 (quoting *AT&T v. Central Office Telephone*, 524 U.S. 214, 223 (1998)).

³⁴ *All American Telephone Co., Tariff F.C.C. No. 3*, Order, 25 FCC Rcd 5661, ¶ 3 (2010). In *All American*, the Commission found deficient the following tariff language: “rates for recurring services are **set at or below the rates** for equivalent services tariffed by the following Incumbent Local Exchange Carriers.” (Emphasis added). See also *Southwestern Bell v FCC*, 43 F.3d 1515 (D.C. Cir. 1995); *Northern Valley Communications, LLC Revision to FCC Tariff No. 3*, Order, Pricing Policy Division DA 11-1132, WCB/Pricing File No. 11-07 (June 28, 2011); *In re Olympia Holding Corp.*, 88 F.3d 952, 961 (11th Cir. 1996) (a tariff is “invalid[] ... where there is an absence of a calculable rate”).

invoice in order to allow CenturyLink to perform further analysis on the discrepancy. CenturyLink is concerned that it is been overbilled for interstate charges.

RELIEF REQUESTED

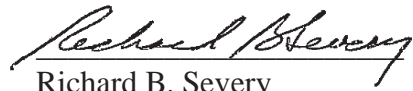
As explained above, Defendants' routing arrangements, billing practices and charges violate sections 201 and 203 of the Act, Commission rules and policies. Accordingly, the Commission should find that the Defendants' switched access charges are unreasonable and unlawful.

Complainants respectfully request that the Commission order Defendants to revise their bills to each Complainant. Defendants should be required to rerate all tandem switched transport traffic (1) using a reasonable distance of seven miles (the distance between LEC MI's end office and the nearby AT&T Michigan tandem). Defendants should also be required to rerate all switched access charges to comply with the benchmark rates set forth in section 61.26 of the Commission's rules. Because Defendants are engaged in access stimulation, the appropriate rates to apply are the switched access rates of Frontier, which is the price cap LEC with the lowest switched access rates in the state. In no event should Defendants be permitted to charge rates higher than those of AT&T (the competing ILEC) for tandem transit traffic.

Complainants request that the Commission order Defendants to issue credits to each of the Complainants equal to the amounts Defendants have unlawfully billed them, and refund to each of the Complainants all unlawful charges that the Complainants have paid to Defendants. The actual amounts owed to each Complainant will be determined through the complaint process. The Commission should also order Defendants to waive all "late payment charges," because they should not have been imposed on improperly issued invoices and unlawful charges.

Complainants also request that the Enforcement Bureau mediate the foregoing disputes.

Sincerely,



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PUBLIC VERSION

Case No. U-17619

**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-7

SWITCHED ACCESS CHARGES FOR TRAFFIC ROUTED THROUGH LECMI

GREAT LAKES COMNET VS MICHIGAN BELL

Great Lakes Comnet Charges						
Access Element	Total Transport Miles	Billing Percentage	Miles	Rate	Charge	Company
Tandem Switching				\$0.005476	\$0.005476	Great Lakes
Termination			1	\$0.002171	\$0.002171	Great Lakes
Facility Per Mile	83	99%	82	\$0.000418	\$0.034347	Great Lakes
Facility Per Mile	83	1%	1	\$0.000418	\$0.000347	Westphalia
					\$0.042341	Total/MOU
Michigan Bell Charges						
Access Element	Total Transport Miles	Billing Percentage	Miles	Rate	Charge	Company
Tandem Switching				\$0.001120	\$0.001120	Michigan Bell
Tandem MUX		50%		\$0.000018	\$0.000009	Michigan Bell
Termination		50%		\$0.000105	\$0.000053	Michigan Bell
Facility Per Mile	7	100%	7	\$0.000014	\$0.000098	Michigan Bell
					.001280	Total/MOU

Does not include the 8YY database query charge.

PUBLIC VERSION

Case No. U-17619

**DIRECT TESTIMONY OF
JOHN W. HABIAK
ON BEHALF OF AT&T CORP.**

Schedule JH-8

PUBLIC VERSION

U-17619 AT&T Corp.
Habiak Direct Schedule JH-8

Calculation of Refund Owed to AT&T Corp

	Intrastate	Intrastate		Intrastate	Intrastate		Intrastate	Intrastate	
	Westphalia	GLC		Westphalia	GLC		Westphalia	GLC	Total
Bill Month	Billed	Billed		Should Have Billed	Should Have Billed		Refund	Refund	Refund
Feb-10	\$44,532	\$0		\$2,401	\$0		\$42,131	\$0	\$42,131
Mar-10	\$54,033	\$0		\$2,913	\$0		\$51,120	\$0	\$51,120
Apr-10	\$39,384	\$0		\$2,123	\$0		\$37,261	\$0	\$37,261
May-10	\$39,386	\$0		\$2,123	\$0		\$37,263	\$0	\$37,263
Jun-10	\$32,764	\$0		\$1,766	\$0		\$30,998	\$0	\$30,998
Jul-10	\$32,986	\$0		\$1,778	\$0		\$31,208	\$0	\$31,208
Aug-10	\$31,715	\$0		\$1,710	\$0		\$30,005	\$0	\$30,005
Sep-10	\$30,621	\$0		\$1,651	\$0		\$28,970	\$0	\$28,970
Oct-10	\$28,964	\$0		\$1,562	\$0		\$27,403	\$0	\$27,403
Nov-10	\$48,554	\$0		\$2,657	\$0		\$45,896	\$0	\$45,896
Dec-10	\$48,455	\$0		\$2,652	\$0		\$45,803	\$0	\$45,803
Jan-11	\$53,264	\$0		\$2,915	\$0		\$50,349	\$0	\$50,349
Feb-11	\$51,042	\$0		\$2,793	\$0		\$48,249	\$0	\$48,249
Mar-11	\$63,246	\$0		\$3,461	\$0		\$59,785	\$0	\$59,785
Apr-11	\$50,400	\$0		\$2,758	\$0		\$47,642	\$0	\$47,642
May-11	\$55,570	\$0		\$3,041	\$0		\$52,529	\$0	\$52,529
Jun-11	\$61,170	\$0		\$3,348	\$0		\$57,823	\$0	\$57,823
Jul-11	\$71,682	\$0		\$3,818	\$0		\$67,863	\$0	\$67,863
Aug-11	\$127,176	\$0		\$3,995	\$0		\$123,180	\$0	\$123,180
Sep-11	\$154,001	\$0		\$4,838	\$0		\$149,163	\$0	\$149,163
Oct-11	\$152,848	\$0		\$4,802	\$0		\$148,047	\$0	\$148,047
Nov-11	\$145,234	\$0		\$4,563	\$0		\$140,671	\$0	\$140,671
Dec-11	\$146,960	\$0		\$4,617	\$0		\$142,343	\$0	\$142,343
Jan-12	\$132,140	\$0		\$4,151	\$0		\$127,989	\$0	\$127,989
Feb-12	\$137,647	\$0		\$4,324	\$0		\$133,323	\$0	\$133,323
Mar-12	\$158,551	\$0		\$4,981	\$0		\$153,570	\$0	\$153,570
Apr-12	\$130,406	\$0		\$4,097	\$0		\$126,309	\$0	\$126,309
May-12	\$193,504	\$0		\$6,079	\$0		\$187,425	\$0	\$187,425
Jun-12	\$188,466	\$0		\$5,921	\$0		\$182,545	\$0	\$182,545
Jul-12	\$125,694	\$0		\$3,949	\$0		\$121,745	\$0	\$121,745
Aug-12	\$126,190	\$0		\$3,964	\$0		\$122,225	\$0	\$122,225
Sep-12	\$157,140	\$0		\$4,937	\$0		\$152,203	\$0	\$152,203
Oct-12	\$157,332	\$0		\$4,943	\$0		\$152,390	\$0	\$152,390
Nov-12	\$414,744	\$0		\$13,029	\$0		\$401,715	\$0	\$401,715
Dec-12	\$168,923	\$0		\$5,307	\$0		\$163,616	\$0	\$163,616
Jan-13	\$167,529	\$0		\$5,263	\$0		\$162,266	\$0	\$162,266
Total	\$3,822,255	\$0		\$139,231	\$0		\$3,683,025	\$0	\$3,683,025